Ron Unz: Howard Jarvis for the New Millennium?

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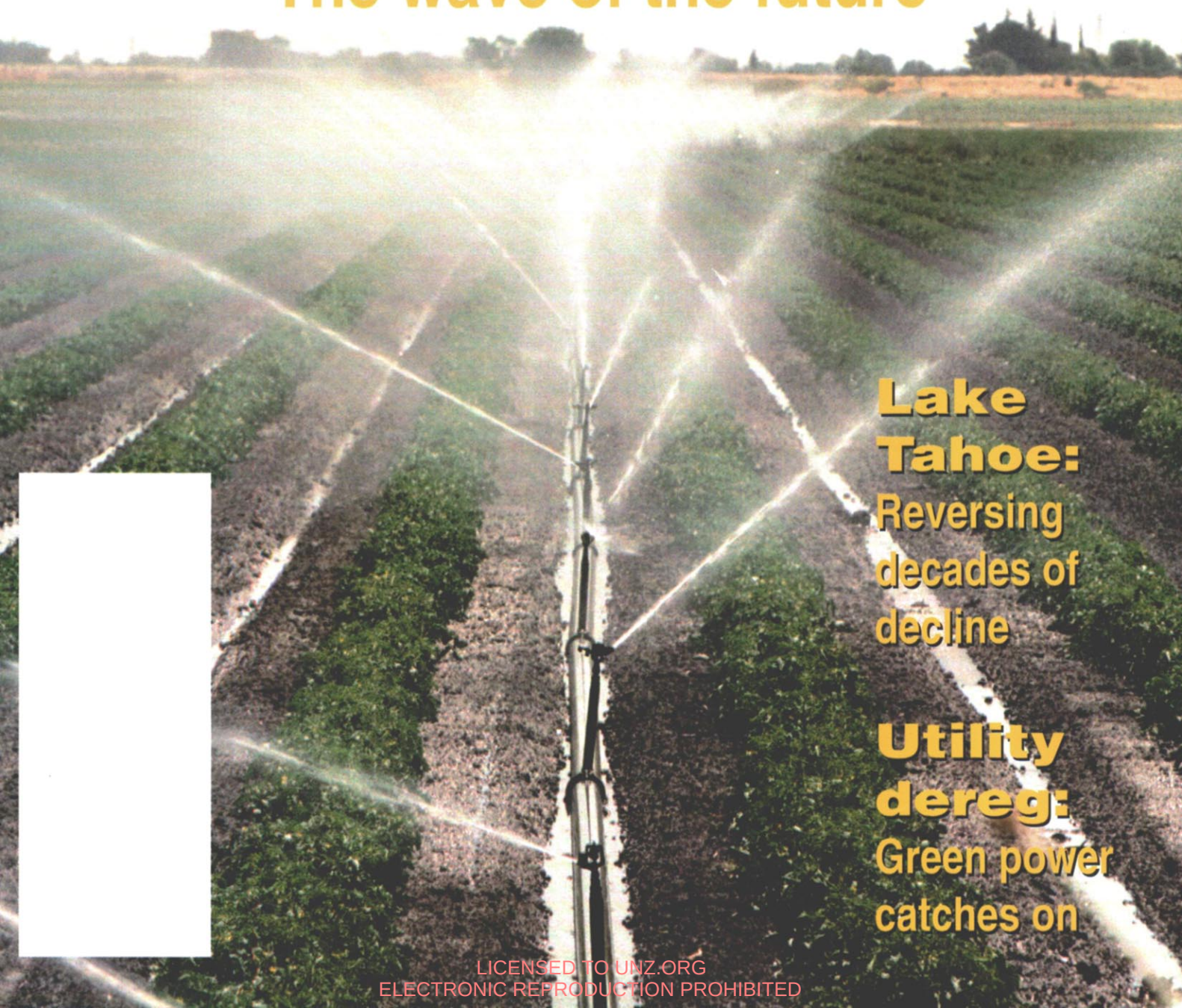
The wave of the future



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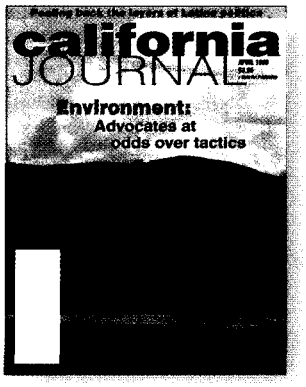

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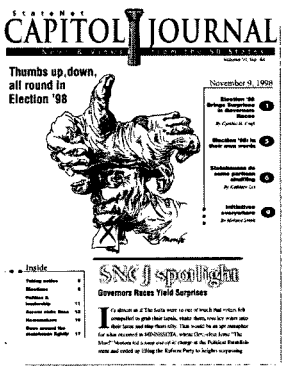

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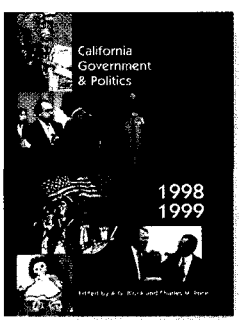

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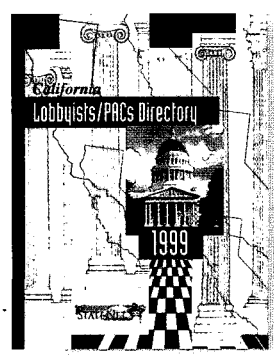

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california JOURNAL

August 1999
Volume XXX, Number 8

Upfront

Talking Points

Two Cents

The Bottom Line

State of the State

Southern Exposure

Washington Perspective

New ventures

By A.G. Block

Since its inception in 1970, *California Journal*'s central mission has been to help readers become well-informed and responsible citizens, and for most of our 30 years, this magazine has depended almost exclusively on the print medium. But Y2K is just around the corner, and Y2K — as its very name suggests — is an electronic and digital universe. To keep pace with that universe, the *Journal* will unveil two innovations in coming months. The *Journal* will partner up with public television — specifically with KVIE, Channel 6, the PBS affiliate in Sacramento. Starting in September, *Journal* editors will work with KVIE producers to create visual versions of key stories from each month's magazine. Also involved in this new partnership is *Wired*, an eclectic San Francisco-based magazine. We long have admired KVIE's dedication to public-affairs programming and are pleased to be an important part of this new endeavor.

Second, our parent company — State Net — will add a "news and analysis" section to its public website (www.statenet.com). Included in that section will be key articles from *California Journal*, as well as from our highly acclaimed sister publication, the weekly *Capitol Journal*, which produces California and national editions. The new site should be on-line by September 1, and we invite you to check it out early and often.

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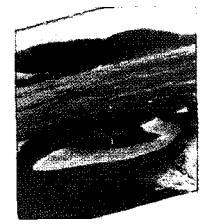

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California's first year of electricity market deregulation was hardly a smash hit, but there was a glimmer of hope for the green end of the market.
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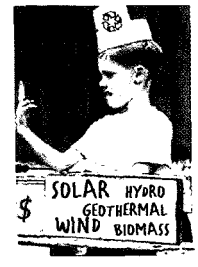

Photo by Rich Pedroncelli

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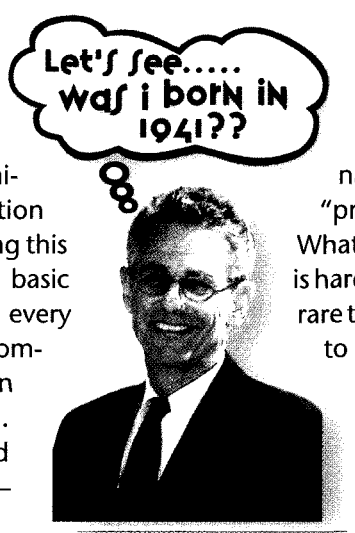
The late show. When the sun goes down in Sacramento, and the lights are still on in the Assembly, it means one of two things: deadline time or budget time. It also means that some of the inhabitants get an attack of the "sillies." When lawmakers went into session June 15 to vote on (or in the case of Republicans, *not* vote on) the budget, the roll was left open for two hours in hopes of flushing out a few turncoats (turncoats who would appear in abundance only the next day). During the long delay, Assemblywoman Audie Bock (G-Oakland) decided a change of clothes was in order. She returned to the floor wearing pajamas and pink bunny slippers and carrying a pillow. Apparently, she was ready for a long night. Nailing down the color of the pajamas has proven to be an interesting task. Three different self-proclaimed eyewitnesses provided three different answers to the question – blue, green and purple. Bock insisted they were blue. Less interested in a slumber party was Assemblyman Dick Floyd (D-Carson), who spent most of the evening loudly urging the speaker to close the roll.

Taking bows. As predictable as the eventual passage of a state budget are the sundry parades before television cameras touting the magnitude of the achievement "for the people of California." This year, a new bar for budget *braggadocio* has been established by Governor Gray Davis in touting the first on-time budget since 1993. Surrounded by school children and smiling legislators, Davis traipsed to his speaking podium on the east steps of the Capitol to a recorded musical fanfare, after an introduction that would have done any rock deejay proud. To the surprise of some, the governor did take time to give some credit to legislative leadership and particularly the budget conferees. But with all the congratulating going on over the timeliness of the budget, one extremely important player got nary a mention. That player was Lady Luck. Few will argue the fact that Davis benefited mightily from the presence of the $4.3 billion surplus that gave him the latitude he needed to cut a whole lot of deals. Then there was the good fortune of legislative budget negotiators, who were as anxious as he to pass the budget on time, and solid Democratic majorities in both houses of the Legislature. Of course, Davis isn't the first politician to take credit for that which Dame Fortune hath wrought. But judging from his little "budgetpalooza," he might just be the most unabashed.

Full circle. This past June, the U.S. Congress decided it preferred proselytizing to protection when it comes to school violence, passing up modest new gun restrictions in favor of a law letting schools display the Ten Commandments. The action jarred the very long memory of William Bagley, a member of the University of California Board of Regents and a former member of the Legislature. Bagley recalled in the early 1970s how the conservative-leaning state Senate approved a bill requiring that the Commandments be published on the frontispiece of every school textbook. With then-Governor Ronald Reagan virtually guaranteed to sign the measure, it seemed a lock to win approval in the Assembly until Bagley — a Republican — rose to a point of parliamentary inquiry. "Mr. Speaker," Bagley recalled saying, "Is a division of the question in order?" Informed that such a division couldn't be done without unanimous consent, Bagley recalled continuing. "I move to divide the question on these Commandments because there are at least two on which I cannot vote." Amid the ensuing laughter, one of the measure's Democratic opponents saw an opening and raised a motion to table. The presiding officer (Bagley could not

False modesty. Last month, *California Journal* published the latest edition of the *California Political Almanac*, a semi-annual publication with information about state government. In preparing this volume, it was necessary to verify basic information, including the ages of every member of the state Legislature. All complied save one — Assemblyman Alan Lowenthal (D-Long Beach). Lowenthal's questionnaire included the month and the day — March 8 —



but refused to provide the year of his birth. A follow-up call to his office produced no explanation beyond simply that he "preferred not to give it." Huh? What is this guy, a CIA mole? Vanity is hardly unusual for a politician, but rare to this degree. Well, we're sorry to spoil the mystery, but we've since nailed down that the year of Mr. Lowenthal's birth was 1941. That makes him 58 years old. The Big Five-Eight.

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recall who was presiding at the time) immediately called for a voice vote. The ayes have it. Motion tabled. When asked later by reporters which Commandments he had trouble with, Bagley told them it was "the one about coveting thy neighbor's wife and the one about coveting thy neighbor's ass."

Let's play "the Feud." Despite his best efforts to lower his profile, it seems Lieutenant Governor Cruz Bustamante still hasn't fully escaped the Governor Gray Davis doghouse. Before signing the new state budget, Davis chopped more than $800,000 off the Legislature's proposed budget for the lieutenant governor's office, including half a million for a revitalized Commission for Economic Development. Davis also eliminated any staff increases not associated with tasks to which Davis has assigned Bustamante – specifically his State Housing Task Force and the Commission on Building for the 21st Century. In his veto message, Davis insisted he had approved a 25 percent increase over prior staffing and funding levels. But few accepted that at face value, given Bustamante's public rebuke of the governor's stand on Proposition 187. The cuts are the latest in a series of reprisals by Davis, reprisals that began with the governor's office stripping away nine staff parking places in the Capitol basement garage. It would seem that once you get on Davis' "list," you'd best be prepared for a long stay.

In memoriam. Broad hints about his failing health were confirmed last month with the death of U.S. Representative George Brown (D-San Bernardino), the dean of the California congressional delegation and, at 79, the oldest member of the House of Representatives. Brown died of complications resulting from heart valve surgery he underwent this past May. The veteran lawmaker won his first race in 1962, and served continuously, save for a two-year hiatus after he lost a 1970 bid for U.S. Senate. In recent years, Brown had been targeted by the GOP, as changing demographics of the district made it less hospitable to the traditional liberalism Brown embodied. Likely candidates for the special election to fill his seat include the two Republicans who have tried to take him out the last two election cycles — Judge Linda Wilde and Elia Pirozzi. On the Democratic side, the likeliest candidate is state Senator Joe Baca (D-Rialto).

Wheeling and dealing. Democrats are so anxious to build a veto-proof majority in the Assembly, they've taken their recruitment efforts public. As several Democratic Assembly members sauntered into caucus last Thursday, they noticed that several GOP moderates — Assemblymembers Rod Pacheco (R-Riverside), Jim Cunneen (R-San Jose), and Abel Maldonado (R-San Luis Obispo) — were having their own little caucus. "Jimmy, Abel, come on ... we need you," said one Assembly Democratic leader. "Still taking applications over here, guys," added Assemblyman Carl Washington (D-Los Angeles). Cunneen was unmoved by the cajoling, insisting he wouldn't change "in a million years." But at least one of his colleagues had other ideas. When Assemblywoman Carole Migden (D-San Francisco) walked by, Pacheco suggested a deal: "You can have Cunneen, but we get Migden," said Pacheco. The deal was apparently not consummated (perhaps they should have thrown in a moderate to be named later). Still, it's pleasant to pause for a moment and ponder the thought of the pugnacious Migden sitting in on a Republican caucus. Just pondering....

"We progress at night, while the politicians sleep."
— Brazilian proverb

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Web Rover:

When doctors turn watchdog

State legislators wrestling with health care reform and political compromise might be wise in the process not to let their fingers slip from the pulse of public opinion. It's beating ever more frantically, as evidenced lately by the emergence of doctors themselves as newly empowered spokespeople against managed-care's penny-pinching ways.

Perhaps nowhere is a physician more strident than at **www.balancedcare.net**, a web site authored by Fresno's Dr. Charles Phillips, a 25-year-veteran of Central Valley emergency rooms. Here, he collects HMO horror stories and compiles them online in a book-in-progress. However, for fear of retaliation — and lawsuits, too — Phillips omits the names of patients, hospitals and providers of managed care, which he has taken to calling "mangled care."

Lest anyone doubt Phillips' level of vehemence, consider his tome's working title: "HMOs — Licensed to Kill, Unsafe at Any Premium." As one online reader remarked to Phillips in an e-mail, if it doesn't sell as nonfiction, it may find a market on the "true crime" shelf.

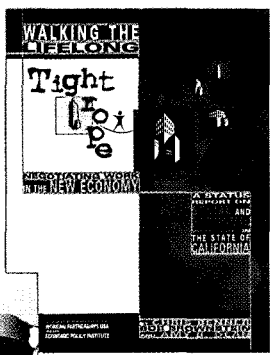
— Cynthia H. Craft

Excerpts:

Don't Look Down Now

"Walking the Lifelong Tightrope: Negotiating Work in the New Economy"
By Chris Benner, Bob Brownstein, and Amy B. Dean, Published by Working Partnerships USA *(www.atwork.org)* and Economic Policy Institute *(www.epinet.org)*

You won't find booksellers frothing over this new release, but we, on the other hand, regard it worthy of summer reading lists for anyone interested in California public affairs and workplace trends.



In sizing up our new information- and technology-based economy, the authors conclude that, despite industry prosperity, workers face diminishing job security. Job change is pervasive in California, the report says, with the median job tenure for workers only three years. Those who lose their jobs in what the authors call this "'Don't Look Down' Economy" stay unemployed longer than the national average; and older displaced workers don't find new jobs, on the average, for 25.3 weeks. That's up from 19.1 weeks in the 1970s.

Even those on the high end are rocked by growing insecurity. Though flourishing as a whole, high tech firms by nature are unstable employers as they push to stay competitive.

What's a public policymaker to do? Help build a new social contract, the authors say, based on higher pay, more career assistance. Promote the "high road" to economic development. And what does that involve? Apparently, tough love: "Public policy should cut off assistance to firms that try to compete by avoiding regulations, cutting wages and benefits, increasing insecurity or cutting jobs." Did somebody say, "paradigm shift?"

— Cynthia H. Craft

Quotables:

"I'm not saying end the party system, because having a good debate of defending one side or the other is important. But when it gets into petty issues, it creates a problem and prevents progress."

— "Gen X-er" Alex Padilla, 26, recently elected to the Los Angeles City Council.

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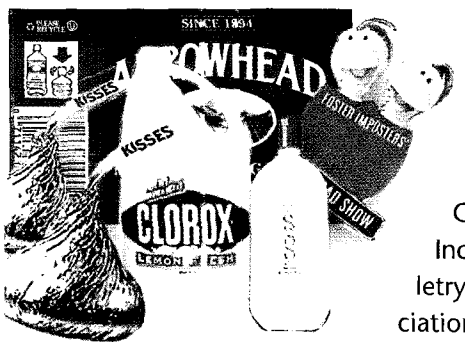
Follow the Money:

Strange Bedfellows

Here's a riddle for collectors of real-life examples of the adage, "Politics makes for strange bedfellows." What bill in the California Legislature has attracted the united opposition of the following special interests?

American Plastics Council, AMWAY, Arrowhead, Avon, BP Amoco Chemicals, BP Polymer Corporation, California Chamber of Commerce, California Grocers Association, California League of Food Processors, California Manufacturers Association, California Packaging Alliance, California Retailers Association, California Teamsters Public Affairs Council, Calistoga Mountain Spring Water, Chemical Specialties Manufacturers Association, Church & Dwight Co. Inc., Clorox, Cosmetic Toiletry and Fragrance Association, DHC Corporation, Dairy Institute, Dean Foods Co., Dairy Corporation, Foster Farms Dairy, Grocery Manufacturers of America, Hershey Chocolate & Confectionery Corporation, Highland Plastics Inc., Liquid Container/Plaxicon, National Association for Pet Container Resources, National Food Processors Associate, Nestle USA, Mary Kay Inc., Owens-Brockway Plastics, Pacific Plastics & Engineering, Pillsbury, Poly Food Packaging Co. Inc., Reynolds Metals Company, SC Johnson Wax & Sons, Shaklee Corporation, Simi Valley Chamber of Commerce, Soap and Detergent Association, Solvay Polymers Inc., TKV Containers Inc., Tenneco, Unilever Home & Personal Care, Warner-Lambert Co., West Coast Protective League, Zeller & Gmelin Corporations.



Give up? Try Senate Bill 1110, which would increase from 25 percent to 35 percent the rate of recycling required for rigid plastic packaging containers sold in California. The bill, by state Senator Wesley Chesbro (D-Arcata) would also bump from 25 percent to 35 percent the amount of post-consumer recycled material mixed in with the plastic of containers sold here. It also closes a loophole that exempts food and cosmetic packaging from these recycling requirements. Now, if you haven't already figured out why Mary Kay teamed up with Clorox, teamed up with grocers, teamed up with Calistoga, refer back to the title of this item.

— Cynthia H. Craft

By the numbers

Immigrants in Silicon Valley

24%: Percent of SV high-tech firms headed by Chinese and Indian CEOs in 1998.

13%: Percent of SV high-tech firms started between 1980 and 1984 by Chinese and Indian CEOs.

29%: Percent of SV high-tech firms started between 1995 and 1998 by Chinese and Indian CEOs.

58,000 or 14% of the total: Number of high-tech jobs these companies provided in 1998.

$16.8 billion or 17% of the total: Annual sales by these companies in 1998.

32%: Percent in 1990 of SV scientists and engineers who were immigrants.

66%: Percent in 1990 of SV workforce from Asia.

51%: Percent of the SV 1990 Asian skilled immigrant workforce that came from China.

Source: Silicon Valley's New Immigrant Entrepreneurs, by the Public Policy Institute of California. www.ppic.org.

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The Capitol Game

For those bold enough to play, there's a lingering question: How do you win?

Editor's Postscript

The lead "article" in the July *California Journal* presented a feature unique in the 29-year history of this magazine – a role-playing game in which readers were asked to assume the part of a rookie Democratic Assembly member and guide a bill along the arcane and complicated trail known as the legislative process. As promised, we now provide some clues about winners and losers.

First, some thoughts about the game itself from those who have played it over the past month and reported their observations.

We had several goals in mind when we created and published the game, primary among them was to provide an exercise in the politics of lawmaking, and hopefully to entertain the reader in the bargain. Most who took the time to play the game or study its rules in some detail agree that we succeeded at both tasks. Just reading the "random event cards," most of which were based on actual Capitol events or situations, gave the reader a flavor of the dilemmas facing every legislator at one time or another.

Another objective was to devise a game that might help teach high-school and college students about a more realistic legislative process and, on this score, the results are mixed. One high-school government teacher from the Sacramento area was enthusiastic about the game's classroom potential and has offered to work with us to create a version that could be used by other teachers. We'll be pursuing that avenue this fall, using his students as playtesters, and keeping readers posted regarding our progress and possible availability.

In the college classroom, a professor with Capitol experience tried his students' hand at the game and reported that, while the exercise was entertaining and eye-opening, the game primarily was an "insider's game for Capitol insiders." In its current form, he suggested, it was too complicated and time-consuming for the classroom. He indicated that, after an hour, most of his group was ready to move on to some other activity — a microcosm, perhaps, of the public-at- large's impatience with a political system whose logic and rhythms they question.

A quartet of professors and instructors (politics and journalism) from the University of California, Berkeley, saw the game through to its conclusion, however, with two participants guiding bills onto the governor's desk. A third player ran out of chits on the Senate floor, while the fourth took his bill all the way through conference only to see it re-referred to an Assembly policy committee when it returned to the lower house for concurrence. Just as happens to real rookies now and then, he misunderstood procedural moves associated with passing the budget and was caught having "abstained" on his budget vote – a fatal *faux pas* for someone from a safe Democratic district. On the main, the Berkeley group thought the game entertaining but also very complex and at times confusing — again, reflective of some real-world opinions expressed about the Legislature.

A future, second edition of the game will likely have players tackling more decisions based on their policy beliefs. We are working on ways to introduce this element of policy into the structure, and also explore how far players will be willing to go to sacrifice their policy principles in order to win money and political chits.

As you can see, we consider "The Capitol Game" a work in progress and, as such, we'll keep readers informed about that development. We likely will post additions, updates and improvements on our website (www.statenet.com).

Now, about winners and losers.

Winning and losing in a political sense is not necessarily about passing legislation. In fact, winning and losing is mostly about power — the accumulation, exercise or loss of it. If you managed to get your bill all the way to the governor's desk – and signed – you certainly fulfilled the mandates of the game. But if, for example, you represented a competitive district (A, C, D, F or G) and found yourself broke at the end of the process, and with no press or political chits in your larder, you also could find yourself on

Continued on page 10

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The Davis principle

by A.G. Block

When candidate Gray Davis ran for governor last year, his campaign came up with a snazzy hood ornament — no doubt grounded in the musings of a gazillion focus groups — that synthesized the mood of voters in four historic words:

"Experience money can't buy."

It wasn't just a slogan. Davis had experience, buckets of it. He was the kid who learned the biz by working his way up from the political loading dock: Tom Bradley's mayoral campaign finance director, Governor Jerry Brown's chief of staff, legislator, state controller, U.S. Senate candidate, lieutenant governor.

Plenty of seasoning, both administrative and political.

But six months into his new job, Governor Gray Davis is leaving open the possibility that none of that voluminous political experience helped him develop a sense of judgment.

Davis' political instincts have always seemed a trifle suspect despite his relentless and triumphant ascent up the political ladder. Prior to 1998, Davis' route to success traveled the line of least resistance as he ran against weak opponents for second-tier jobs. When he ventured into tougher arenas, he was shellacked in Democratic primaries for state treasurer (by the late Jesse Unruh in 1974) and U.S. Senate (by Dianne Feinstein in 1992). Even in 1998, Davis had the good fortune to draw opponents, both in the primary and in November, who insisted on running backwards (see *CJ*, December 1998).

> "Clumsy" and "artless" are not words one would think to ascribe to a seasoned politician with supposedly sound political judgment.

The Davis administration sees it differently. One official contends that Davis has superb political instincts and cites as evidence his four-bill education package and his defrosting of relations with Mexico -- both accomplished with alacrity in 1999. The former, as most in the education community will attest, contained more hat than cattle and merely winked at the yawning needs of public education. The latter, however, represents a significant achievement for which Davis deserves the lion's share of credit.

But do these two exploits imply sound political judgment?

Consider this as background material: In the heat of the 1992 senatorial primary against Feinstein, Davis committed one of the most insipid political blunders of the decade — a dreadful TV ad that compared his likeable and popular opponent with jailed New York hotelier Leona Helmsley. Far from hurting Feinstein, the attack backfired on its perpetrator, who was scalded for a hit piece that common sense — not to mention political judgment — suggested ought to be stuffed through a shredder.

Okay, that was then; this is now.

• *The pay-raise flap.* During his campaign, Davis heavily criticized a 31 percent pay increase authorized for the new governor by an independent commission. In his first Sacramento press conference following the election, however, Davis indicated that he would pocket most of the raise. At the same time, he warned state employees — most of whom had been without a bump since Andrew Jackson's presidency — that once again they might have to do without. The reaction — derision, in most quarters — was immediate. Thus did the governor-elect generate a wealth of negative publicity and irritate a labor ally over a few thousand dollars in salary. It seems a veteran politician with superb political judgment would have seen this coming and accepted the old salary.

• *Cruz Bustamante.* Davis' most tangled political knot as governor tethered him to the newly elected lieutenant governor, Democrat Cruz Bustamante, and to the appeal of a lower federal court decision striking down Proposition 187 — the 1994 initiative that denied a variety of benefits to illegal immigrants and is regarded as a symbol of anti-immigrant and anti-Latino sentiment. Early on, Bustamante publicly insisted that Davis drop the appeal, which had been pursued by the initiative's champion and Davis' predecessor, Republican Pete Wilson. Davis was caught between Bustamante's prodding, fear of alienating the majority of voters who supported 187, and various legal opinions that indicated only an appellate court decision could void an amendment to the state constitution. Ultimately, Davis devised a Solomonic outcome: He cut the baby in two, sending the entire dispute to a mediation panel that will try to divine common ground where none truly exists.

In the process, Davis virtually ignored Bustamante until moments before holding a press conference to announce his decision. At that point, he reportedly invited the lieutenant governor and others to a meeting. Bustamante refused to attend and for weeks thereafter expressed his outrage

Continued next page

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over the decision. In addition, Davis' administration poured gasoline on the smoldering Bustamante by stripping his staff of nine parking places in the Capitol garage, while Davis himself vetoed some $800,000 from Bustamante's budget. The resulting dust-up has fostered frigid relations between the state's two highest-ranking elected officials.

Could the confrontation have been avoided? Perhaps not. But it seems that a wiser politician at least might have tried to defuse the situation by applying a little statesmanship and a small dose of courtesy. What, for instance, would it have cost Davis to walk down the hall to the lieutenant governor's office — say, while he was still wrestling with the 187 decision — to discuss his legal quandary? How might Bustamante have reacted had Davis been frank about his options, then asked for help even though the two might continue to disagree?

An administration official scoffed at the notion, saying that the lieutenant governor has no power, so why bring him into the loop? This argument, of course, doesn't come within an area code of the point. In political terms, the lieutenant governor wasn't snubbed. Rather, the person snubbed was the highest-ranking elected Latino official in California at precisely the moment when Latinos are exercising serious political muscle on behalf of the governor's party. Davis' apparent failure to recognize the importance of civility and courtesy in crafting a key political relationship – or worse, to disregard their significance – also doesn't inspire much confidence in his judgment.

• *The Legislature.* The coin of the realm inside the Capitol is the value of one's word. Nothing else much matters. If a politician can't be trusted, he or she can't function, and someone with 25 years of training ought to appreciate that concept and take extra steps to guard his reputation. Yet Davis somehow emerged from the recent budget process with the value of his word shredded among both Republicans and Democrats, who accuse him of reneging on deals (Republicans over district pork vetoed from the final plan; Democrats over enabling legislation — a "trailer bill" dealing with elderly immigrants). Davis argues that he never signed off on the pork or the bill; lawmakers insist otherwise. Either way, Davis appears amateurish, for an experienced negotiator doesn't leave the table until he is assured that everyone views the final product in precisely the same terms.

One veteran legislator referred to the governor's handling of the budget as "politically clumsy" — a term often heard these days regarding the breadth of Davis' relationship with the Legislature. But "clumsy" may not adequately describe the artless way he has treated a peer branch of government. In mid-July, for instance, his minions called Senate and Assembly committee chairs, asking that certain bills be held up. Unfortunately, they neglected to consult with either the bills' authors or legislative leadership, another indication that "respect" and "manners" are foreign concepts to this administration. "Clumsy" and "artless" are not words one would think to ascribe to a seasoned politician with supposedly sound political judgment.

As assemblyman, controller and lieutenant governor, Gray Davis lurked on the fringe of government where he was not required to make difficult decisions or exercise much in the way of political judgment except as it might affect his own career. Nor was he required to articulate a vision for California.

Governor Davis, however, must do all those things. And although it still is very early in his tenure as the state's chief executive, he was, by virtue of his own campaign slogan, expected to bring to the job experience and judgment befitting his quarter century in the trenches of California politics.

Instead, he may be on the verge of writing another chapter of "The Peter Principle."

The Capitol Game (continued)

the business end of a stiff Republican challenge in the next election. On the other hand, had you ended the game with a substantial amount of money in the bank – regardless of what may have happened to your bill – you could scare off most serious opponents.

By the same token, if you represented a safe Democratic district (B or E) and ended the game with no money but a bill signed into law, you had a marginally successful rookie campaign. But you may have enjoyed an even more successful year — even if your bill failed — had you banked a lot of money and socked away a pile of political chits. Then you would be able to dispense favors to other Democratic members and be positioned to move into leadership. You never know; in this era of term limits and revolving-door legislators, you could be speaker.

Finally, if you ended the game with no money, no chits and your bill shredded by one house or the other, not much likely went your way and you can consider your rookie year a failure.

For those who haven't yet tried "The Capitol Game," we urge you to, and to tell us about the experience. Send your thoughts to *edit@statenet.com.* We plan to periodically add or revise portions of the game and will let you know where on our website those revisions may be found.

– *A.G. Block*

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Willie 'n' Clint

by Susan Rasky

It certainly doesn't have the historical significance or media sizzle of a Hillary vs. Rudy U.S. Senate race. But as political side shows go, the November 1999 San Francisco mayoral contest promises to be more illuminating, and in its own way perhaps more compelling, than the bare-knuckles brawl that awaits New Yorkers next year.

For sheer entertainment, it's hard to beat a race that pits the current mayor, Willie L. Brown Jr.; the former mayor, Frank Jordan; and the former mayor's political consultant, Clint Reilly, against each other and 18 lesser-known souls who have declared their initial intent to run. In the latter category is one A.D. Wyatt Norton, founder of the Jeffersonian Interdependent Party, whose campaign web site proclaims: "We are taxed enough to demand a higher quality comedy at City Hall."

The final filing deadline is August 6, by which time Jordan could be out and Board of Supervisors President Tom Ammiano, a gay stand-up comic, or Supervisor Leland Yee, an Ammiano ally, could be in. Jordan, a Republican trounced by Brown in a run-off four years ago, would be competing for the moderate voters Reilly is courting, while Ammiano presumably would siphon off some of Brown's support among liberals and gays.

Amusing as that kind of free-for-all might be in a town where pitched ideological battles are waged over the location of neighborhood dog parks, the more likely prospect seems to be a head-on contest between Brown and Reilly, the only challenger with enough money to mount a serious campaign. Reilly has said from the beginning that he would not abide by San Francisco's $600,000 voluntary spending limit, and when his campaign exceeded the $300,000 trigger in June, city officials formally lifted the cap for all candidates.

Under provisions of the 1995 campaign-finance law, Brown, who had previously agreed to abide by the limits, now is free to spend as much as he likes and to raise the money in increments of $500. Reilly, because of his choice to exceed the limits, is constrained from accepting contributions larger than $150-a-pop. Given Brown's prodigious fund-raising abilities and the fortune Reilly has amassed from years of pricey political consulting and savvy real-estate investment, the dollars should flow freely on both sides.

But it's not money, per se, that makes this race fascinating. For political insiders, particularly those who don't live or vote in San Francisco, the draw is watching Reilly attempt to transform himself from hardball practitioner to populist candidate. Barely known to average voters — which is why he already is running TV bio and issue spots — Reilly trained a whole cadre of Democratic political operatives in the 1980s and is both admired and despised among those who hired him to advance their candidacies or causes.

He is the consultant who "fired" his candidate, Dianne Feinstein, during the middle of her 1990 gubernatorial campaign, faxing the news to reporters before informing her. Credited with innovations in the design and targeting of direct mail, he was renowned in consulting circles for the hefty commissions he received on it. In 1993, as manager of the successful first-term campaign of Los Angeles Mayor Richard Riordan, Reilly produced a lavish issues booklet on paper so costly that reporters coined the term "Riordan stock" to lampoon it. In 1994 he took over Kathleen Brown's foundering gubernatorial campaign, leaving it so cash-strapped in the final weeks that she could not afford critical TV buys.

> Reilly is both admired and despised among those who hired him to advance their candidacies or causes.

As a candidate, Reilly clearly lacks the retail political skills a flamboyant operator such as Brown has had decades to hone, not to mention the obvious advantages of incumbency. Brown has the endorsements of the Democratic establishment, from President Bill Clinton on down, and, despite troubling poll numbers, would have to be judged the odds-on favorite in November.

But the booming San Francisco economy that has allowed Brown to boast he's a one-of-a-kind mayor in a one-of-a-kind city masks a set of bread-and-butter local problems for which the voters hold their mayor accountable. Chief among them is the ever-malfunctioning municipal railway system, which Reilly has seized upon, along with the perennial isue of homelessness, as symbols of Brown's governance failures. In doing so, Reilly has tapped into a deep vein of resentment among working and middle-class San Franciscans who see themselves and their neighbors displaced by the prosperous newcomers Brown has helped attract.

Brown did not create those long-simmering tensions, but Reilly's ability to exploit them at the mayor's expense makes this race more than a passing curiosity.

Comments on Contributing Editor Susan Rasky's column may be e-mailed c/o edit@statenet.com.

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Water marketing:

The numbers are troubling, if not downright frightful. Because of California's continuing population growth — from the current 33 million to a projected 45 million by 2020 — a serious water shortage looms on the state's golden horizon. Based on the most recent calculations by the state Department of Water Resources (DWR), California could find itself 2.4 million acre-feet short of its liquid gold in two decades — enough water to affect the needs of all the people in Los Angeles and San Diego combined. And that's the best case scenario, based on normal rainfall patterns. In the event of a drought (it's a matter of *when*, not *if*), the projected shortage balloons to 6.2 million acre-feet — enough to affect the combined populations of Los Angeles, San Diego, San Jose, San Francisco, Long Beach, Fresno, Oakland, Sacramento, Santa Ana and Anaheim.

Moving water from where it is to where it isn't is nothing new in semi-arid California, thanks to great feats of human engineering. But can the transferring of water expand with a little help from the free market?

By Noel Brinkerhoff

In the past, shortfalls in the state's water supply were addressed in a very concrete manner — namely, find a river, dam it up and ship its water elsewhere via hundreds of miles of aqueducts. But those days are over. For one thing, there are few untapped rivers left and those remaining are well protected under the Wild and Scenic Rivers Act and by a vanguard of determined environmentalists. Furthermore, dams have become downright cost-prohibitive. Consider, for example, the towering spillway on Shasta Dam, which was built on the Sacramento River during the New Deal for $120 million. In comparison, today's projected cost of the long-proposed Auburn Dam on the American River currently stands at $1 billion-plus.

So, if erecting a new dam on the Klamath or Eel rivers is no longer a realistic option, what is the state planning to do to meet its future water supply needs without jeopardizing the environment? The consensus among those trying to figure out this problem — namely the participants in the four-year-old CalFed process, a Big Picture-oriented collection of government officials, environmentalists, city water officials and farmers — is that no single solution will work by itself. Within the "tool box" of public policy choices that all parties lug around are efforts ranging from improved water conservation to building new reservoirs to expanding something known as water marketing.

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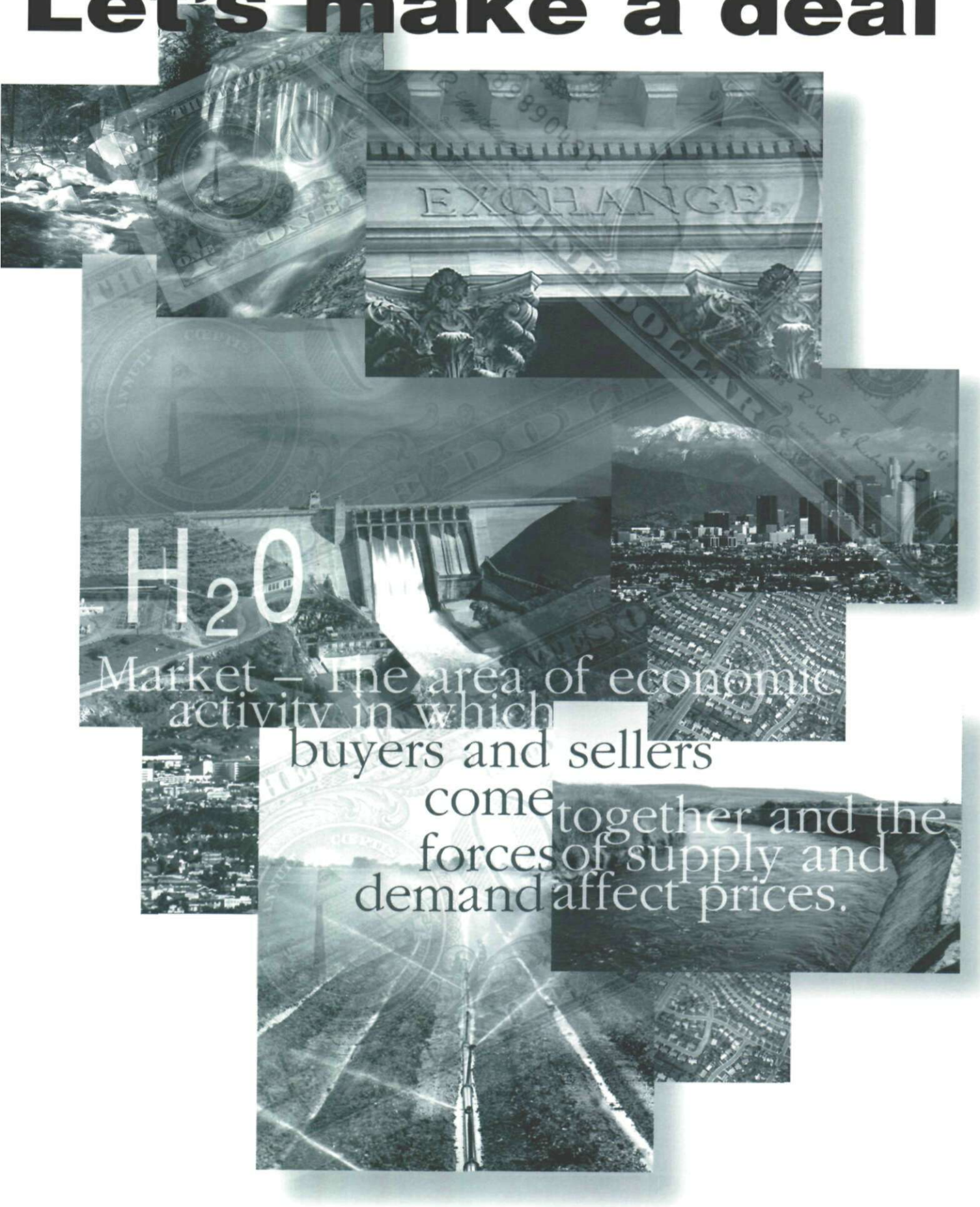
Let's make a deal


EXCHANGE
H_2O
Market – The area of economic activity in which buyers and sellers come together and the forces of supply and demand affect prices.

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This latter approach of water marketing — the sale of water from those with extra supplies of the finite resource to those with extra demands for it — has been something slow to evolve over the past two decades. Thanks to the last drought, however, water marketing efforts got a boost when California created an emergency water market in 1991 known as the Drought Water Bank, in which short-term water deals (known also as transfers) were cut between farmers and cities to get the state by until the rains came again. Since then, many water experts, as well as those private entrepreneurs working hard to carve a niche for themselves in the sale of water, say water marketing should expand as California enters the next century, though in a less-regulated form than the government-hands-on way of the Drought Water Bank.

H2O at four-and-one-half?

Conceptually speaking, the thing that makes water marketing an attractive idea among many is its promise to get the most out of the state's current supply of water by utilizing good old fashioned supply-and-demand, free-market economics. If someone has some extra water — usually farmers since they receive most of the developed water in California — why not encourage them to sell it to whoever is running short — usually growing cities?

"At a very theoretical level, one way of dealing with the general problem of water scarcity is to wring the inefficiencies out of the current patterns of water use," says Henry Vaux, Jr., associate vice president of agriculture and natural resources for the University of California, who has studied water marketing since the 1970s. "Today, there is a general acceptance that water markets or water transfers are going to be part of the solution."

The term water marketing naturally conjures up images of buyers and sellers furiously haggling over price and quantity in some stock market-like venue. Indeed, some folks at the Pacific Stock Exchange are reportedly looking into developing a way in which water could be traded like other commodities on the floor of the PSE. But such a pure market way of selling water seems almost Buck Rodgers-esque, given how complex and politically charged water transfers currently are in California.

As Vaux can attest, the present trading or selling of water in California involves a good deal more than just buyers and sellers. When discussions begin over moving water from one locale to another, a whole host of possible problems — known as third-party impacts — first must be settled. For instance, water sold by a farmer can sometimes mean fewer crops being grown, which means less need to buy farm equipment or less need for farmworkers, which all translates into less money flowing through the local economy. And then there's the potential unwanted effects of a water transfer on cities, such as, will it feed suburban sprawl and exacerbate land-use and environmental problems? (See story, page 16)

In addition, the makeup of buyers and sellers are no longer the same. It used to be that water transfers were the primary property of agricultural and urban players. But now there are private water companies involved in the mix, sometimes serving as a broker between farmers and cities or sometimes serving as the actual water supplier, having purchased property teeming with underground quantities of water, or aquifers. This rise of the private component in water marketing has, in fact, spawned a new debate involving the use of aqueducts and pipelines for water conveyance — one that could change the face of water delivery in California.

The Whiners vs. The Monopolists

In order to sell water one must also be able to move it (called "wheeling") and to do so requires use of the current system of publicly built canals and pipelines, since building private water-conveyance facilities is impossible from a financial standpoint. That means using either the federally built Central Valley Project, state-built State Water Project or the Colorado River Aqueduct built by the Metropolitan Water District, the giant public wholesaler that provides water to 16 million people throughout Southern California. Thanks to legislation adopted in 1986, those conveyance systems were opened to allow non-traditional users, such as private water companies, to move water if there was unused capacity available. But private companies soon began to complain that the "water buffaloes" —

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(Top) Colorado River aqueduct

(Middle) San Diego County Water Authority pipeline under construction.

(Bottom) Pipelines being laid.

Photos: Courtesy of the San Diego County Water Authority.

MWD, DWR, the U.S. Bureau of Reclamation and other representatives of the water establishment — controlling the conveyance systems were charging exorbitant prices to ship water in order to maintain their monopolistic grip on water deliveries.

According to Michael Patrick George, president of the Western Water Company, a prominent voice among private water wholesalers, water marketing efforts are being "held hostage by narrow institutional interests" that don't want companies like Western Water coming in and competing for water customers. That's why Western Water, U.S. Filter Corporation, Azurix Corporation and other companies are pushing to adopt legislation, SB 506 by Senator Steve Peace (D-San Diego), that would set in statute a 1998 judicial decision limiting the amount of infrastructure costs that MWD and other public water agencies can charge private companies to ship water.

To public water officials, though, private water companies are simply looking for a free ride through conveyance systems in which public water agencies have invested millions of dollars to build and maintain. "There is a role for the private sector [in water marketing]," says Tim Quinn, deputy general manager for MWD, but their approach on the wheeling issue amounts to asking for "subsidized access" to the aqueducts.

Others are even more critical of the private companies and their reluctance to pay infrastructure costs. "They're lamenting how hard life is and why they're not able to make a zillion dollars off public investments," says one longtime state water official who asked not to be identified. "I haven't seen very many of them who I had any sympathy for. When you sit down and talk with them, there's a lot of whining but there's very little effort to appreciate the real problems that exist."

George rejects the criticism that private water companies don't appreciate all the various complexities that go with water in California. "We would go out of business if we treated water like any other commodity."

Private water companies also know about the problems that exist, especially those stifling investment in water marketing opportunities, says Richard Katz, a former state assemblyman who currently does water consulting. Often, water companies require outside capital to make a water purchase happen, but getting financiers to commit has been difficult because of the numerous hurdles — such as the conveyance issue — that make water deals going from one part of the state to another slow and unpredictable. "Until more of the uncertainties are resolved, not a lot of trades will happen during the next couple of years," says Katz.

In search of high ground

But before anyone throws a pity-party for private water companies in their battle against the bigger, established water players, it should be known that folks like George have a secret weapon at their disposal: Keith Brackpool.

Brackpool, who runs Cadiz, Inc., an agricultural and water development firm, is one of the key figures among private water companies. He's also someone who enjoys a close relationship with Governor Gray Davis, according to the *Wall Street Journal*. Following a $100,000 contribution to Davis' 1998 gubernatorial campaign, Brackpool found himself serving on the governor's transition team on agriculture and water, as Davis' liaison to CalFed and as co-chair of a state task force studying California's future infrastructure needs.

Furthermore, Brackpool has key friends in national political circles who are well-connected in California —

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namely Democratic powerbroker Tony Coelho, who sits on Cadiz' board of directors. Coelho, a former Central Valley congressman well versed in water issues, currently serves as campaign chairman for Vice President Al Gore's 2000 presidential bid.

Given his well-connected status, it's easy to see how Brackpool can boast that, when it comes to Davis' approach to water supply and reliability issues, "This is an administration that genuinely will promote water transfers." A Davis spokesman said Brackpool, who made the statement to the *San Diego Union-Tribune*, was probably correct in his assumption about the governor, given how frequently the Cadiz executive talks to Davis about the subject.

If so, Cadiz, Inc. will be in a prime position to make a tidy profit. Brackpool's company owns 27,000 acres of land in eastern San Bernardino County, below which lies a huge aquifer containing approximately 20 million acre-feet of water (or 6.5 trillion gallons), according to the company's website. Already Cadiz has signed a $100 million deal with MWD to store excess Colorado River water during wet years in its groundwater basin and then deliver it back to Metropolitan during a drought.

Who's the real villain?

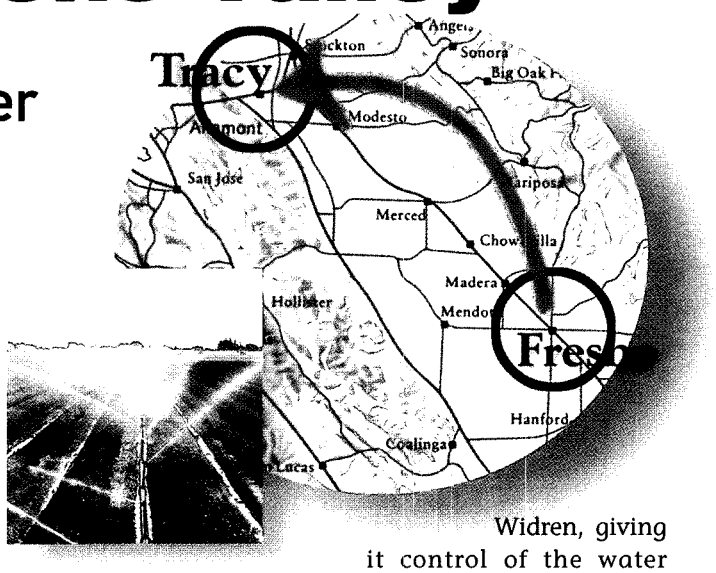
Not surprisingly, some environmentalists are a little wary about the growing presence of private companies in California's developing water market, even though they support the concept of water transfers as a way of reducing pressure to build more water projects. "There's clearly going to be a role for water marketing, but it has to be done in the context that this is a public trust resource," says Bill Craven, Sierra Club's state director.

"It's OK with me that there's a niche for private firms, but I don't want the private firms to be driving the debate about what's a valid environmental concern and what isn't," says Craven. "There are environmental concerns about taking water from point A to point B that don't have

Central Valley case study: Shades of Owens Valley

An unfriendly water transfer alarms farmers and environmentalists.

By Noel Brinkerhoff



An urban development interest, badly in need of water to facilitate its new growth, reaches into a distant agricultural region and quietly buys up all the surrounding land in order to ship the local water supply back home. A recitation of the infamous Owens Valley water grab? Try again.

At a time when California farmers are being sought out by water marketing interests to sell their water to growing cities — all while trying to forget the legacy Los Angeles left behind when it got control of the Owens River 90 years ago and diverted it into a south-bound aqueduct, an unfriendly water transfer is currently being proposed in the Central Valley that could have haunting repercussions.

Outside the small town of Firebaugh in Fresno County sits an 800-acre stretch of farmland known as the Widren Water District. Two years ago a Stockton-based developer, the Grupe Company, bought up all the property within Widren, giving it control of the water district's governing board. The board then voted to sell all 3,000 acre-feet of its water supply to Grupe so that the company's planned development in the fast-growing city of Tracy, 80 miles to the north in San Joaquin County, wouldn't go thirsty.

Why didn't Grupe rely on a local source for water? Because there isn't one. The proposed Tracy Hills project — which if completed will number 5,500 homes, an 18-hole golf course and several small man-made lakes — would be loated on former sheep and cattle ranchland. In order to get the City of Tracy's approval for the project, says Doug Unruh, president of Grupe Communities, Inc., "We were required to bring our own water."

Grupe, a 30-year-old real estate development firm, has

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a damn thing to do with the buying and selling of water," such as impacts on fish, natural habitats and groundwater overdraft.

Other environmentalists, though, are less worried about the private water players and in fact look upon them as interested parties who will stick it to the real troublemakers — public water officials. Tom Graff, senior attorney for the Environmental Defense Fund, says he believes private water companies, because they must still prove themselves in the court of public opinion, "will be more sensitive to environmental and incidental aspects of what they're doing than public agencies have been."

"Everything ultimately has the potential to create a new set of issues and problems down the line," says Graff, "but the fresh perspective that some of these private entities bring and their willingness to challenge the hide-bound public bureaucracies that have dominated California water for decades is all for the good....The water establishment has paid lip service to water marketing, but in the backrooms it has done its best to limit the scope of it."

When it comes to stalling water marketing efforts, though, it's not the water agencies causing problems, says Steve Hall, executive director of the 400-member Association of California Water Agencies. "The environmental community keeps talking about transfers as the way to go, but every time someone proposes a specific transfer, they oppose it. What's the deal?

"They don't have to manage the system, so it's easy for them to criticize us for not having enough transfers," Hall says. "But when we try to process one, they criticize us for not doing it 'right.' That bugs me."

Of course, Hall won't be the only frustrated person if water marketing efforts don't pan out, especially if those failed attempts play a role in preventing the state from meeting its future water needs.

Comments on Associate Editor Noel Brinkerhoff's article may be e-mailed to edit@statenet.com.

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built projects around the Central Valley and in seven other states. It is a company that prides itself on "water-oriented master-planned communities," according to its website, and its "commitment to combine creative land planning with environmental sensitivity."

Environmental sensitivity? Tell that to the Sierra Club, which has fought the water transfer along with the Fresno County Farm Bureau and the county Board of Supervisors, because of its opposition to water transfers that fuel city development outside of existing urban footprints and that result in the loss of prime agricultural land. The transfer of Widren's water also raises another major concern of environmentalists and Central Valley leaders when it comes to water transfers — groundwater overdraft.

Although the deal would detour all but 50 acre-feet of Widren's 2,990 acre-feet allotment of Central Valley Project water, the district still intends to provide water for crops by drawing from an underground aquifer and some surface sources. Throughout the San Joaquin Valley, farmers have run into trouble as a result of pumping too much water from local aquifers, causing land subsidence and salt-water intrusion into the soil. That's why, in part, environmentalists and farmers have teamed up to oppose the Widren transfer, for fear of what it will mean to the local groundwater supply. Even more troubling, though, for farmers and Fresno County officials is the "precedent-setting" nature of the Widren transfer that goes right to the historical dark-heart of the Owens Valley legacy. In a letter of protest to the U.S. Bureau of Reclamation, which must approve the transfer of the CVP water, Fresno County Board of Supervisors Chairwoman Sharon Levy says the transfer represents "a template for how to circumvent the [Central Valley Project Improvement Act] that will be used by municipalities and developers throughout the state to strip the San Joaquin Valley of its precious surface water resources."

And even if it doesn't go that far, the Widren case could make farmers trying to forget about Owens Valley less willing to sell any of their water, which could have significant impact on future water-marketing transactions. After all, 80 percent of the developed water supply in California goes to agriculture, which uses approximately 30 million acre-feet of water a year (or 10 trillion gallons). If farmers find Widren alarming, then urban buyers of water — be they private or public wholesalers — trying to transact friendly water transfers may find the sellers market dried up from reluctance.

If the state is truly interested in seeing water marketing opportunities grow, then it would seem state officials should at least take a look at the Widren transfer. But that hasn't happened. The state Water Resources Control Board, which regularly reviews proposed water transfers from one water basin to another, has said publicly that the Widren case is out of its jurisdiction. That means the only thing standing in the way of the transfer's approval is the Bureau of Reclamation.

A bureau official said it was unknown how the regional director intended to rule on the matter, saying only that "everything looks pretty good so far." And as well it should, according to Grupe's Unruh, who said, "We've properly addressed all the issues that have been raised" as far as meeting state and federal law.

But that doesn't preclude legal action by Fresno officials if the bureau does sign off. County officials previously filed a lawsuit against Tracy and the developer, claiming they had been denied the chance to weigh in on the transfer when it was first being crafted. That suit was settled before going to trial, but it doesn't mean Fresno can't or won't resort to legal action again. According to one source who has closely followed the transfer, Fresno County's lawyer has been told "to go to the mat" to keep the Widren water from leaving.

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Ron Unz is hardly, as *The New Republic* suggests, the man who "controls California," but few in the state have had more influence over the state's public agenda in recent years. Is Unz the next Howard Jarvis, or just a rich geek in search of an ego rush?

Gadfly Extraordinaire

By Steve Scott

California's political pundit corps gathered at the University of California, Berkeley, this past winter for what has become a quadrennial ritual — the Institute of Governmental Studies' post-mortem on the governor's race. Over the course of two days, panel discussions dissected the primary and general election gubernatorial contests as well as ancillary topics such as media coverage, television commercials and such. Circulating among the scribes, eggheads, students and politicos at this year's conference was a familiar, smallish, black-haired figure whose very presence puzzled some of the attendees.

"What is *he* doing here?" whispered one participant to another as they watched the slim-necked man with the slightly rumpled clothing query a journalist about, of all things, campaign finance laws.

What had brought Ron K. Unz to Berkeley that January weekend was reconnaissance for his next "great crusade." The 37-year-old physicist-turned-software maker-turned-maverick activist had decided he was going to build the perfect campaign reform initiative. Not only was he going to get campaign finance reform approved, but he was going to entice the entire Republican Party along for the ride by hitching his proposal to one changing the system for redrawing political district boundaries. The shotgun wedding ultimately never happened (see sidebar, page 20), but the fact that a number of prominent state and national Republicans gave serious thought to the idea is a measure of how far Unz has come in his comparatively short political life.

Since bursting on the state's political scene with a quixotic but attention-grabbing 1994 primary challenge to incumbent Republican Governor Pete Wilson, Unz has become perhaps the most visible initiative superstar since the late Howard Jarvis of Proposition 13 fame. His successful effort to undo the state's bilingual education system with 1998's Proposition 227 has made him the darling of the national conservative media, championed by the editorial pages of the *Wall Street Journal* and, most recently, the subject of a 5,000-word cover profile in *The New Republic*. His willingness to self-finance his efforts has caused Unz's critics, who span the political spectrum, to brand him as just another millionaire dilettante using the initiative process as a means to feed his ego. But his admirers, who also span the political spectrum, contend Unz's activism is what the initiative process is all about — a committed individual with a populist message maneuvering around entrenched interests by taking his case directly to the voters.

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"He's very compelling," said Tony Miller, the Democratic former acting secretary of state who is Unz's partner in the campaign reform effort. "He is a man that puts his money where his vision is."

It's hard to imagine a less obvious candidate for the role of maverick political force. Born and raised out of wedlock in the San Fernando Valley, Unz lived modestly as a child, set apart largely by his I.Q., which was tested at 214. Attending Harvard on a scholarship, Unz displayed the same restless mind that characterizes his present-day efforts, double-majoring in theoretical physics and ancient history, while setting up his own foreign affairs speaker's club on the side. But a fellowship at Cambridge, which included study under famed physicist Stephen Hawking, and subsequent enrollment as a Ph.D. candidate at Stanford seemed to line him up for a career in research and teaching.

Working at a summer job for a New York securities firm in 1987, Unz used his self-taught skills as a computer programmer to develop financial software for the company. Abandoning research, he formed his own firm, Wall Street Analytics, to perfect and market the software, eventually becoming successful enough to move the firm to Silicon Valley,

Simultaneous with his business success, Unz's intellectual appetite also found meat in public policy discourse, especially surrounding the issue of immigration. He began contributing to conservative think-tanks such as the Manhattan Institute and, with characteristic compulsiveness, ordered up 15 years of back issues of the conservative publication *Commentary*.

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Unz's personal interest in immigration — motivated, he says, by a family background that included immigrant grandparents and a mother whose first language was Yiddish — was intense enough for him to take note in the summer of 1993 when Pete Wilson, languishing in the high teens in public approval, began testing out his anti-immigrant themes in preparation for his re-election campaign. With the relatively good showing of millionaire independent Ross Perot in the 1992 presidential campaign still fresh in his memory, Unz jumped into the June 1994 primary against Wilson, challenging the GOP's anti-immigration orthodoxy.

"I came out against Proposition 187 [the Wilson-backed anti-immigration initiative] in the primary," said Unz. "Wilson actually began running his 187 commercials in the primary, against me."

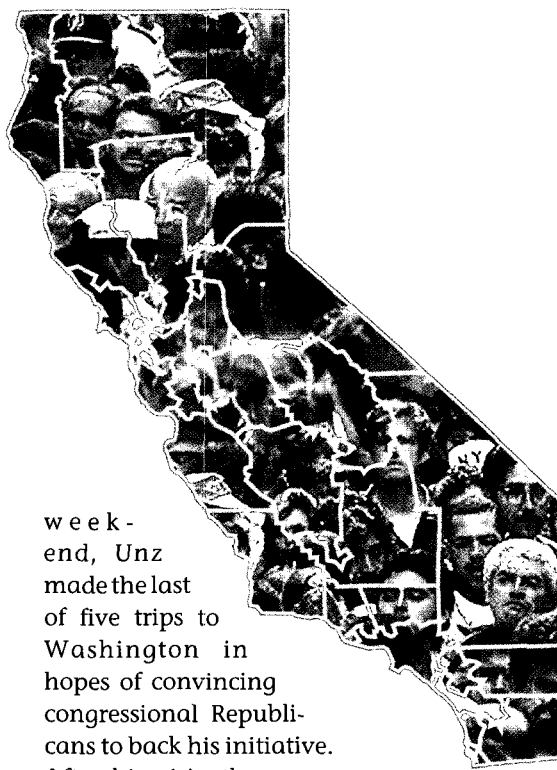
Change in strategy

The roughly one-third of the primary vote Unz received against Wilson whetted his appetite for more involvement, but the $2 million he'd spent on the campaign drained his bank account. Unz more or less took 1996 off, but in the fall of that year, he took note of the boycott undertaken by a group of Latino parents at the Seventh Street Elementary School in downtown Los Angeles. The parents

Remap Flap

Ron Unz wheedled his way into a high-stakes GOP turf war over redistricting. While he suffered a rare setback, some Republicans believe Unz may yet have the last laugh.

By Steve Scott



The day after the 1998 elections, Republican anti-government activist Ted Costa sat down and began drafting an initiative designed to change the way legislative and congressional district lines are drawn. Like most other Republicans, Costa was worried that a united Democratic government in a redistricting year would mean a decade in the political wilderness. Seven months later, Costa began circulating a redistricting initiative, but by then he wasn't alone.

Ron Unz had entered the fray.

Saying he began mulling the idea as early as the fall of 1998, California's maverick initiative activist began working out a crafty plan. He'd entice Republicans to support his desire for comprehensive campaign finance reform by linking it to the GOP's fondest wish — redistricting reform.

Linking up with former Democratic Acting Secretary of State Tony Miller, Unz took the novel step of submitting four different versions of his initiative to the attorney general for the creation of a title and summary. In addition to a "clean" version of campaign reform, Unz's quartet of submissions also threw in a proposal to put redistricting in the hands of special court-appointed masters. The plan was similar to that adopted by the state Supreme Court in 1991, when political district lines were last drawn.

"Unz is still trying to leverage the interested parties, specifically the Republican Party," Jim Knox, director of California Common Cause said at the time. "There's no question that Unz is trying to broker a deal between Republicans and the reform groups."

Those Republicans, however, didn't like campaign finance reform, and they didn't like Ron Unz. At about the time Unz was putting together his package, California's GOP congressional delegation tapped Representative Bill Thomas (R-Bakersfield) to head their efforts to develop a reapportionment plan that could draw GOP support.

Shuttle diplomacy

Just before the Memorial Day weekend, Unz made the last of five trips to Washington in hopes of convincing congressional Republicans to back his initiative. After his visit, the congressional delegation split over which to back, but almost as soon as Unz left, the congressional representatives closed ranks behind the Thomas plan.

"The issue of taxpayer-funded campaigns is going to go down, and it will regardless of how he tries to spin it," said one GOP consultant. "It was an extortion play [by Unz] and to their credit, they [congressional Republicans] didn't bite."

Thomas' insider victory, however, was not the end of the story. While Unz began circulating the stripped-down reform initiative, he continued to work

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had pulled their children out of the school to protest their lack of progress in learning English under the school's bilingual education program. Unz contacted the organizer of the boycott, liberal Episcopal priest Alice Callaghan, and the two wrote an initiative to eliminate bilingual education altogether — Proposition 227.

"I didn't care what his politics were, and didn't care if he was using it for career advantage," said Callaghan. "That didn't matter. What mattered was getting those kids out of those bilingual classrooms."

Proposition 227 met with fierce opposition from advocates of bilingual education, and most of the education community. It also drew opposition from all four gubernatorial candidates, whose statements were used in a devastating late television blitz bankrolled by A. Jerrold Perenchio, the head of Univision, the state's largest Spanish-language TV network. The late attacks didn't cost Unz victory, but it did cost him what most pre-election polls suggested he might get — majority support among Latino voters. Still, he won grudging praise even from opponents of his initiative for engaging the debate over bilingual education as an issue of educational quality, rather than bashing it as a racial preference.

"[Unz] took on an ethnically-based

the GOP on behalf of his broader plan. A strategically timed editorial supporting Unz appeared in the *Wall Street Journal*, and Unz received a letter of support from both of California's representatives on the Republican National Committee. Still, all Unz's energy and media savvy were no match for an entrenched political leader like Thomas. "The delegation early on made it clear to Mr. Unz they couldn't support any initiative with taxpayer-financed campaigns," said Thomas' chief of staff Cathy Abernathy. "There wasn't an issue of a choice between the two because we knew we could not put that on California taxpayers."

Unz blames his insider defeat on factionalism within the GOP. "There are so many different power centers within the national Republican Party," Unz said. "Also, I found out that Bill Thomas was a very 'turf-oriented' person."

Despite his setback, though, Unz still hadn't at this writing completely given up on the idea of somehow pulling a rabbit from the hat. He has made much of the slow pace at which Thomas and his allies had gathered financial commitment for his initiative. Republican state legislative leaders have, for all practical purposes, taken a pass on the effort, since Thomas chose to spice up his reapportionment plan with a move to cut legislative salaries. And for all the irritation that Unz has given to the state GOP, there is a strong contingent of party activists who don't think all that highly of Thomas, either.

That Unz would find himself in the middle of such a high-stakes game is not merely a function of his vaunted Type-A personality. Some GOP critics privately complain that most of the delegation — and indeed much of the national party apparatus — have been asleep at the switch, ignoring the threat posed to the party by unified Democratic leadership in the nation's largest state.

"What's spectacular is that the party has so much to lose, yet so little attention has been paid by those most threatened," said one GOP leader who asked not to be identified. "Most Republican congressmen have already accepted reapportionment defeat."

Unz says he will likely endorse the Thomas plan if it makes it to the ballot. Whatever happens with redistricting, however, Unz will still be in the game with his stripped-down campaign reform.

"It was a nice idea," he said of his dalliance in the national reapportionment wars. "I thought it would work, but it didn't."

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"While I credit him with **smarts**, I don't credit him with **wisdom** or **maturity**."
— Jim Schultz, director of the Democracy Center.

sacred cow without tripping too many racial land mines," said Gregory Rodriguez, senior researcher at Pepperdine University's Institute of Public Policy.

The late advertising blitz gave Unz a taste of the reality of hardball initiative politics. So, for his next trick, Unz decided to get even by adopting campaign finance reform as his next cause. As was the case with bilingual education, Unz started by joining forces with a political opposite, in this case Miller. Borrowing heavily from 1996's voter-approved but court-tossed Proposition 208 (which Miller co-authored), the two teamed up with campaign reform guru Bob Stern to develop what they call the Voters Bill of Rights. Many of its provisions deal with expanded campaign finance and content disclosure — mailers and television ads, for instance, would have to be Internet-accessible within 24 hours of their release. Unz had hoped to include redistricting reform in the mix but, after running into a partisan buzz saw in Washington, dropped the idea and began circulating his "clean" campaign reform.

Modus operandi

Proposition 227 and the effort surrounding campaign finance reform reveal much about Unz's political style — and his personal quirks. From a strategic standpoint, both represent examples of what Unz refers to as "diagonal" politics. In his two forays into initiative politics, Unz has built counter-intuitive coalitions which thumb their collective noses at more traditional partisan formations. Unz concedes part of his purpose is to draw media attention to his projects.

"When people say the standard party line on something, it's almost background noise," said Unz. "Putting together an odd coalition gets more attention for what you're talking about."

Critics suggest Unz is more interested in the attention-getting qualities of these coalitions than the policy they produce. Their take is that Unz represents the worst aspects of the initiative process — an ego with a checkbook. "While I credit him with smarts, I don't credit him with wisdom or maturity," said Jim Schultz, director of the San Francisco-based Democracy Center. "I have seen him play fast and loose with the facts just to make a sound bite he likes." Some critics believe Unz's real objective in pushing his ideas in the initiative process is to lay the groundwork for another run for elective office, either another try for governor or the U.S. Senate. Unz admits he is interested in the idea of running for office down the road, but maintains his current focus is on his initiative projects. Still others believe Unz is just riding the process for the ego rush.

Unz's ego has also given him a reputation for being arrogant and unwilling to listen to the advice of others. When asked about her working relationship with Unz during the Proposition 227, Callaghan paused long and hard before finally responding that the two had "worked together successfully for two years." GOP operatives negotiating with Unz over his campaign reform proposals were a good deal less diplomatic, accusing Unz of being dismissive toward suggestions offered by state legislators. "It had to be his way, or no way at all," said one GOP consultant familiar with the negotiations.

"He has a tendency to boredom, and he's not a great conciliator," said one observer close to the Proposition 227 campaign.

Casting against type

Yet virtually all who know him, whether they be friend or foe, say it is unwise to simply dismiss Unz as just another high-handed millionaire. His personal lifestyle, for instance, is decidedly un-millionaire-like. He works and lives in what is, by all accounts, a sparsely-furnished home, and promotes himself and his causes largely through the Internet. For all the talk of his big ego, Unz travels without entourage, driving himself around the state in a black Nissan Sentra, wolfing down Burger King meals between campaign stops.

Unz is also a virtual one-man band when it comes to his day-to-day campaigning. During the Proposition 227 campaign, he handled most of the press calls and just about all of the campaign debates himself. He proudly talks of how "I hired myself at a salary of $1" as the Proposition 227 political consultant and designed the campaign's direct mail advertisements himself. The man just seems to have been born without an "off" switch.

"I think he probably doesn't sleep at all," said Miller.

The idea that an ascetic, obsessive, egotistical computer nerd — with or without entourage — would have so much influence over California's policy agenda creates more than a little angst among some in the political world. "It is dangerous for the power [of the initiative process] to be used as an expensive hobby," said Schultz. But others suggest Unz's self-styled political activism actually returns the initiative process to its roots since most of the big money in Unz's campaigns has been on the other side.

"All the money in the world isn't going to sell the public on an initiative they don't like," said Kim Alexander, director of the non-profit California Voter Foundation. "With 227, he was in the right place in the right time with the right message. Sometimes it takes an outsider coming in sideways to sniff out an opportunity like that."

And if there's one thing Ron Unz knows how to do, it's sniff out an opportunity.

Steve Scott is the political editor of the California Journal. *Comments may be sent to edit@statenet.com.*

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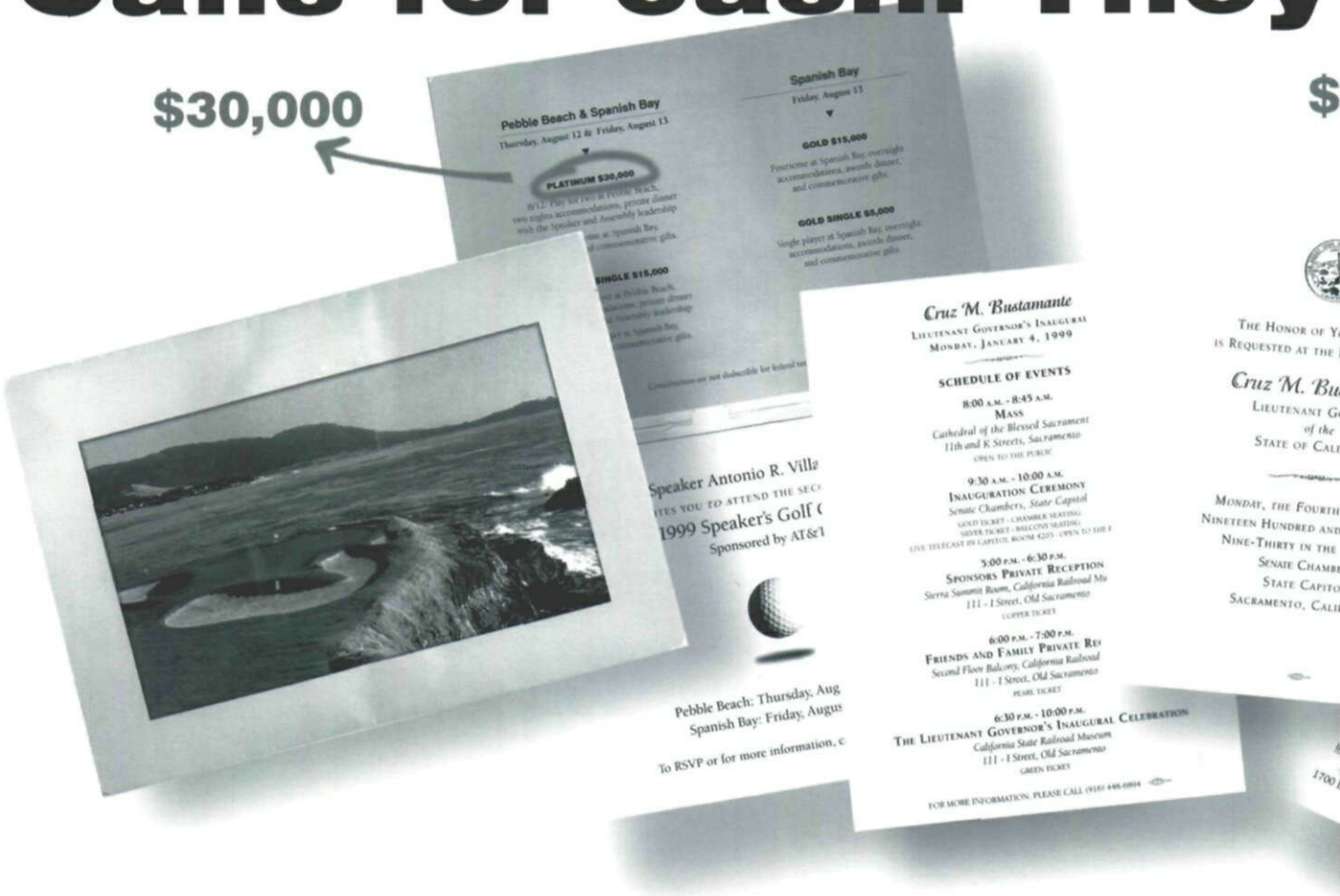
Calls for cash: They



Politicians claim they have no choice but to ask donors for higher and higher sums due to rising costs of campaigning. Critics counter the practice amounts to "thinly veiled extortion."

"Roses are red, violets are blue. As a supporter, you have always been true. For a thousand a pop, it's food, drink and wine. As we toast a new session, be Jackie's valentine."

— Fundraising invitation from state Senator Jackie Speier (D-Hillsborough)

Old Sacramento's Firehouse restaurant is a place where local residents have held countless celebrations — with only a casual nod to the price. But at one of those parties — a birthday bash fund raiser for Assemblyman Tony Cardenas (D-Sylmar) — the price of admission went from upscale to downright unprecedented: Buyers of "host" tickets shelled out $50,000, "sponsors" paid $25,000 and "supporters" forked over $5,000 a plate. But you can't accuse Cardenas of being elitist: Some guests slipped in the door for a mere $1,000, and even those with measly $100 checks were implored to "come, please."

If Cardenas' admission prices, which netted $150,000 that night, seem a tad high, rest assured they are not out of

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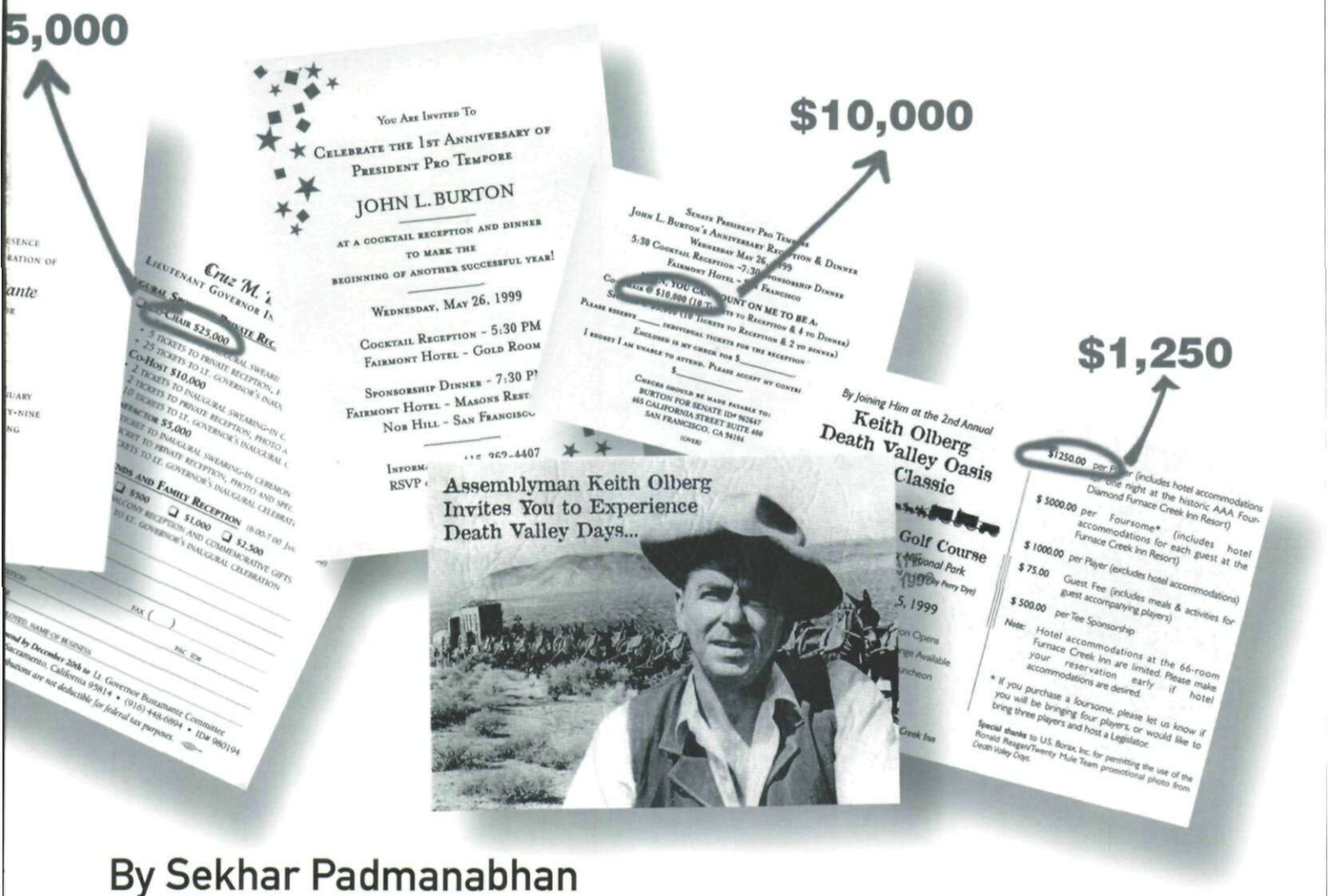
keep coming . . .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By Sekhar Padmanabhan

the norm. Not anymore. The *Los Angeles Times* reported that Assemblyman Herb Wesson (D-Los Angeles) this year became the first member of an exclusive club: freshman assemblymen who have charged $5,000 a plate for a fund raiser. He raked in $100,000 before the party was over.

To those who say money's role in politics is getting out of hand, Cardenas, who heads the Assembly Democratic Caucus, would like to extend a reality-check: Campaigning is costly. Period.

"When you've got 17 or 18 seats to defend," Cardenas said, "we had better be out there rolling up our sleeves. And that takes money. I was very grateful that people supported my event."

The driving force spiking the new, high-priced fund raisers, according to Cardenas, is the price of media, especially TV time. In legislative races where buying up airtime is critical to getting a fair shot at the job, winning an election can cost as much as $800,000.

While admitting it's "weird" to be regarded as a senior member after only three years in the Assembly (thanks to term limits), Cardenas says he takes his leadership rank seriously and has an obligation to "ensure we're healthy come election cycle."

"When you've got 80 seats up every two years ... you welcome anyone who is capable, ready and willing to support you, with a $50,000 check or even a $100,000 check," Cardenas said.

Perhaps Cardenas took a lesson or two from the master, Assembly Speaker Antonio Villaraigosa (D-Los Angeles). Villaraigosa is holding a Pebble Beach golf soiree this August for the price of $15,000 a player and $30,000 for a twosome. The invitation is full color and over the top:

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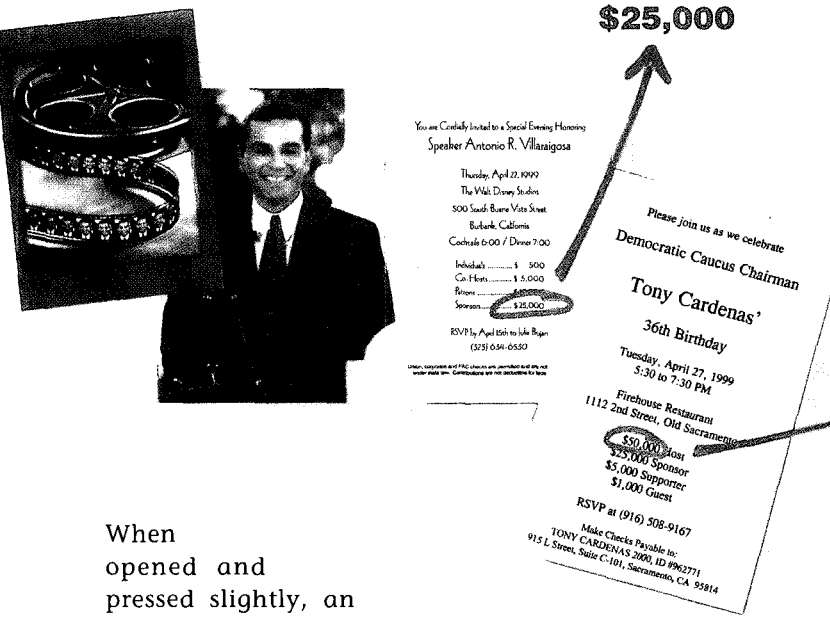

In the afterglow of th down Proposition 208 to run up the pric

When opened and pressed slightly, an embedded microchip plays the swing of a golf club, the "oohs" and "ahhs" of the gallery, the sound of a ball dropping into the cup and applause.

As for those on the receiving end of these posh pleas for piles of cash, lobbyists, who get the lion's share of the invitations, vary in their opinions over whether such costly events are justified. Some say they feel perfectly comfortable handing over money to lawmakers who share their clients' political views. Others regard politicians as players in a game of "get it while you can."

In documenting the recent rise in admissions prices, the *California Journal* reviewed 196 invitations to fund raisers from January to August of this year. The review showed the average fund raiser cost recipients $775.

Noting that "getting squeezed" is not a new predicament for Sacramento lobbyists, Kim Alexander, president of the California Voter Foundation, nonetheless thinks the time is right to end the upward spiral. "There needs to be a point," said Alexander, "at which a politician can no longer go to the same well to drink. Without [contribution] limits, these interest groups are at the mercy of the pols. And [lobbyists] will probably cough up the money."

The reasons polticians are dipping deeper into contributor's pockets vary. Some are raising money for their next career move — higher office or a leadership post. Some amass money to toss to friends' campaigns, and thus earn political chits. Many carry over large campaign debts to pay off once they get in office. Alexander's foundation (www.calvoter.org) calculates that the average debt of a freshman legislator in California has doubled since 1992 — from $30,000 to about $60,000.

Consequently, pricey events are popping up in the smallest of races: A fund raiser for Central Basin Water District #2 board member Bob Apodaca — featuring appearances by Assemblyman Tom Calderon (D-Montebello) and Metropolitan Water District Chairman Phil Pace — asked supporters to give as much as $500 a seat "to help retire debt" from last year's successful campaign, according to the invitation. A past field representative for Assemblyman Martin Gallegos (D-Baldwin Park), Apodaca now works in his day job as a representative for Calderon. But because Apodaca's campaign committee in Whittier hadn't filed a disclosure statement by press time, it was unknown how much money he had raised — and who stepped forward to pay off his debt.

Around 10 years ago, attending a typical Assembly fund raiser would cost in the $500 to $750-a-plate range, while a state senator could charge nearly $1,000 a head. The leadership sometimes requested upwards of $1,000. Today, says Alexander, "There's this tendency for politicians to stick their toe across the line and see if they can get away with" charging exhorbitant amounts to their extravagant fund-raising events.

While legislators defend their actions, advocates for campaign finance reform say it's time to dredge up the dreaded debate over "public financing" of campaigns — taxpayer-subsidized contests free from enormous expenses, debts and high-priced fund raisers. Alexander feels the widespread posting of contributions online next year will help voters see the bigger problem and "follow the money" in the meantime.

Voters thought they had capped spending in 1996 by approving Proposition 208, which imposed strict campaign donation and expenditure limits. But a federal judge last year struck down the initiative, leaving the Fair Political Practices Commission; Tony Miller, former acting secretary of state; and Ruth Holton, then-executive director of California Common Cause; to appeal the ruling.

So in the afterglow of the judge's decision, legislators have continued to run up the price tag on campaigns, which then demand more bold, aggressive fundraising: A close state Senate contest last year between Santa Rosa Republican John Jordan, a 20-something multi-millionaire, and Wes Chesbro (D-Arcata), a former county supervisor on the North Coast, tallied a record-breaking $6 million in campaign spending. Jordan, however green politically, entered the race as an heir to an oil and wine fortune and gained $500,000 from the Republican caucus. But Chesbro, who sits on the Integrated Waste Management Board, shelled out $2.5 million to hammer home his political experience. It was a good year for professional politicians and incumbents, and Chesbro beat Jordan by 9 percent in November for the seat of U.S. Representative Mike Thompson (D-St. Helena). Meanwhile, down in Orange County, the red-hot Robert Dornan-Loretta Sanchez battle for Congress last year burned through some $6.4 million before Democrat Sanchez emerged the winner of a second term.

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udge's decision to knock
egislators have continued
ag on campaigns.

Look toward the not-so-distant future, and you'll see no change in sight. By the year 2002, Alexander's foundation estimates, statewide races will require campaign treasure chests of a minimum of $1 million — just to get started.

Term limits, which were supposed to fill both houses of the Legislature with citizen lawmakers unswayed by special interests, may have had the opposite effect, observers say. In today's Capitol, the power that used to reside with veteran legislative leaders has shifted to partisan caucuses that determine who is to succeed a termed-out legislator. Rookie lawmakers, then, enter the scene with more clout than ever before, becoming forces that lobbyists — and their clients — can't afford to ignore.

Those who agree with that assessment say there was a reason Walt Disney Company in April hosted "Villaraigosa Night" at its Burbank studios, raising some $1.2 million for the speaker and other lower-house Democrats. "Sponsors" paid $25,000, "patrons" spent $10,000, co-hosts gave $5,000 and average guests donated $500-a-plate.

Disney officials, the theory goes, were reeling from an accident last Christmas Eve at Disneyland that resulted in one death and two severe injuries. In the aftermath of the tragedy, it came out that California — with its multitude of amusement parks — is one of a dozen states that fail to regulate permanent theme park rides. Naturally, it seemed as good a time as any for Disney to solidify its friendships in the Capitol.

Then came pressure from Senator Don Perata (D-Oakland) and Assemblyman Tom Torlakson (D-Antioch), who authored similar, yet separate, bills to regulate theme parks and mandate regular safety inspections. Torlakson entered the fray two years ago after a high-school student was killed at a Concord water park. He sponsored such a bill last year but saw it defeated.

Following closed-door meetings with Disney officials, however, Torlakson announced one month after the Villaraigosa bash that he was paring down his bill. His new proposal sought to require inspections of rides no more than twice every five years. His bill still forced an annual "walk-through" of parks, whose rides could be inspected if something seemed unsafe. Both bills required the reporting of serious accidents.

About 10 days later, Villaraigosa told reporters he would support theme-park legislation — and that the Disney fund raiser had been in the works since last year. Countering suggestions to the contrary, the speaker told the *Los Angeles Times* his good relations with Disney would not affect his vote. And he disavowed staffers' statements that he would work toward a compromise measure more favorable to the theme-park industry: "This bill can only get tougher; it can't get watered down," Villaraigosa told the *Times*. "A bill will pass. Absolutely."

Trying to give Torlakson's bill a push through the Senate, Perata dropped his measure June 1 — leaving only the Assembly proposal standing. As of press time, Torlakson's bill was scheduled for a hearing in the Senate Appropriations Committee. At that time, the bill called for annual reviews of rides and safety records — and its final version was uncertain.

The California Voter Foundation hasn't thrown its weight behind a specific set of reforms. Others, however, are busy pushing for public financing and limits on contributions.

Proposition 73, passed in 1988, did make public financing illegal, but a court invalidated most of the initiative. So state Senator Debra Bowen (D-Redondo Beach) plans to revive the idea in hopes it would encourage more people will run for office. Candidates would receive free air time, subsidized postage and tax deductions. Voters would get an expanded election pamphlet to pore over.

To further the idea, Bowen is carrying a "partial" public financing bill this session. Her measure would legalize the use of public money for political campaigns, provided voters approve it in March 2000. The bill creates the Legislative Election Fund, which voters may support on their state tax returns by checking a box similar to one for presidential donations on a federal return. According to Bowen's bill, taxpayers could give $5 ($10 for a joint return) to the fund starting with their 1999 returns.

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Bowen folded into her bill an array of contribution limits and tests candidates must pass before receiving public funds. Assembly candidates need to raise $30,000 and senators $45,000 to qualify for matching funds under Bowen's bill. They must also be opposed by a candidate who has raised at least $20,000 for the Assembly, or $30,000 for the Senate. Any candidate who violates the rules in the primary would be ineligible for public money in the general election. However, her legislative fund must reach $20 million before the financing is available, and that may take several years. As of press time, the Bowen measure was awaiting a third reading in the Senate.

"I think when you see the rising admission prices," said Bowen, who's carrying her sixth reform bill in seven years, "part of it is people [wanting to] pay off debt. Also, they don't want to spend as much time fundraising. And frankly, it's because they can."

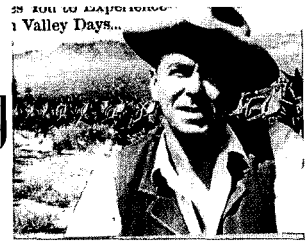
Initiative maven and Silicon Valley entrepreneur Ron Unz, author of the English-only Proposition 227, has his own public-finance initiative circulating this year. *(See page 18)* While it is a stripped-down version of his earlier measure — which included redistricting provisions aimed at warding off a Democratic sweep of California's congressional delegation — Unz has virtually assured that his initiative will appear on the March 2000 ballot. Under this plan, the source of contributions of $1,000 or more, as well as all radio and print advertisements, must be posted on a website. Further, anyone paying to appear on a slate mailer would have a large "PAID" symbol next to his or her name.

Unz notes that, with Democrats in control of the governor's office and both houses of the California Legislature, Democrats are shrewd to cash in. It's a winner-take-all scenario and, according to Unz, "Nobody gives money to Republicans because they're irrelevant."

Jim Knox, executive director of the state's branch of Common Cause, agrees. "It would be more difficult," Knox argues, "for the Ross Johnsons and [Scott] Baughs to command those same ticket prices."

Referring to costly solicitations as "thinly veiled extortion," Knox says these events "are not $25 spaghetti feeds in the district. These are solicitations exclusively to the lobbyists that have business before the legislators soliciting the funds." These days in Sacramento, Knox said, a bloated bank account is "one of the surest ways" to gain leadership within the party. Like Alexander, Knox supports some form of public financing. And he hopes these poorer times for Republicans will drive home the point — to the GOP, at least — of the importance of reforming the system.

One lobbyist said.... Politicians are only charging "what the market will bear."



In the meantime, the partying continues. Senate President pro Tempore John Burton (D-San Francisco) staged pricey celebrations to mark his anniversary as Senate leader in not one, but two cities — Los Angeles *and* San Francisco. Prices by the bay ranged from $10,000 for a "co-chair" of his event to $5,000 for a "sponsor." The Los Angeles bash commanded $25,000 from "co-chairs" and $500 from an average guest. At his re-election bash in Sacramento, one could have bought into the "Aces High" designation for just over $10,000. Those on tighter budgets got in the door on $1,000. Yet another Burton fund raiser, this one at the Bighorn Club in Palm Desert, fetched a handsome $7,500 per foursome or $2,000 a golfer.

Even Democratic Lieutenant Governor Cruz Bustamante, who holds a job with few decision-making duties and little actual clout, charged "co-chairs" $25,000 at his inaugural ball.

Many lobbyists see no point in bellyaching over the trend, such as a former health-care advocate who, asking not to be identified, said politicians are only charging "what the market will bear."

Another lobbyist, Kathryn Rees, is a 23-year veteran of the Capitol corridors, and president of Rees & Associates and the Institute of Governmental Advocates, which sets a code of ethics for lobbyists. The way she sees it, buying a fund-raising ticket represents the modern way of offering support to a candidate — no more, no less.

"The forefathers of our democratic process contemplated that we be able to support people of like-minded philosophy or bright and principled members who are really able to drive policy," said Rees. "Clearly, those kinds of people can't remain unless the electorate or organizations support them."

Sekhar Padmanabhan is a staff writer for the California Journal. *Comments may be sent to edit@statenet.com.*

Coming next month:

Tom Philp examines how, when the Capitol in Sacramento focuses on health care reform, the legislators' idea of what needs fixing rarely matches what the public sees as broken.

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Unions flex their muscles

by Lance T. Izumi

With Democratic hegemony across the state and Big Labor in the political driver's seat, the clock is being turned back on government labor policy. Rather than promoting free and open competition, which is the basis for today's economic prosperity, government in California is busy destroying the competitive labor market and promoting union monopoly.

Leading the charge backward is Governor Gray Davis. Under Davis' predecessor Pete Wilson, the state took a number of steps to privatize a variety of government services. However, in a budget move that was rubber-stamped by the Democratic Legislature, Davis replaced privately contracted janitorial workers, who clean state buildings, with full-time unionized state employees, at approximately double the cost. As the *Los Angeles Times* pointedly observed: "Still the shift away from private janitorial services is one example of how the Democratic governor, who won office with a major assist from organized labor, wants to use the budget to help his political allies. The Service Employees International Union and its affiliate, the California State Employees Association gave Davis' campaign at least $1.4 million."

Davis' spokespeople say the governor is merely trying to ensure "fairness." Problem is, while the private-sector janitors had their wages determined by objective market forces of supply and demand, wages under Davis' plan will be set under monopoly conditions. It is hard to see how this situation, with its attendant increase in cost, can be fair to taxpayers who must turn over more of their hard-earned income simply to satisfy the payment of a political debt.

Organized labor's muscle-flexing doesn't stop, however, with efforts to scrap privatization. In order to overturn established tort standards, AB 1268, sponsored by the California Labor Federation and carried by Assemblywoman Sheila Kuehl (D-Santa Monica), would limit the liability of unions and union leaders for unlawful conduct, including violence, committed by union officers, members, and/or their agents. The bill, which cleared the Assembly, also deletes the provision in California's civil code that protects the right of a person to be free of violence, or intimidation by threat of violence, in a labor dispute.

Organized labor's muscle-flexing doesn't stop, however, with efforts to scrap privatization.

Without the threat of civil liability hanging over their heads, there would be little incentive for union leaders to prevent violent misconduct by their underlings during labor disputes. The disconcerting irony is that while Ms. Kuehl has championed efforts to stop violence against homosexuals, her legislation will likely lead to more violence against workers and employers.

The unions' increasing power is not limited to Sacramento. At the local level, more and more big-money, union-only public construction contracts are being approved. So far this year, so-called "project labor agreements" (PLAs), which funnel government construction contracts to firms that use only union labor, have been approved in San Diego for a $700 million emergency storage facility; in Oakland for a $1.4 billion airport and port expansion; and in Los Angeles for construction stemming from a $2.4 billion school bond. Since non-union firms can often perform work at lower cost than unionized firms, PLAs force taxpayers to pay more for less.

Given that PLAs especially hurt minority-owned contracting firms, which are predominantly non-union, the American Asian Contractors Association (AACA) has brought a lawsuit to invalidate PLAs as violations of the state's competitive-bidding law. In the past, state courts have determined that the purpose of the competitive-bidding law is to "invite competition, to guard against favoritism . . . fraud and corruption, and to secure the best work or supplies at the lowest price practicable." Based on this definition, PLAs seem to be clear violations of the law. AACA's lawsuit is now before the California Supreme Court.

The pattern here is painfully apparent. Like the Big Business monopolies a century ago, Big Labor is using its clout with pliant state and local politicians to destroy its competition through official government action. When the right to compete economically is abridged, an important liberty critical to the functioning of a free society is lost. Unfortunately, in today's California such principled considerations take a back seat to old-fashioned payback politics.

Contributing Editor Lance T. Izumi is a senior fellow at the Pacific Research Institute in San Francisco. Comments about this column may be e-mailed to edit@statenet.com.

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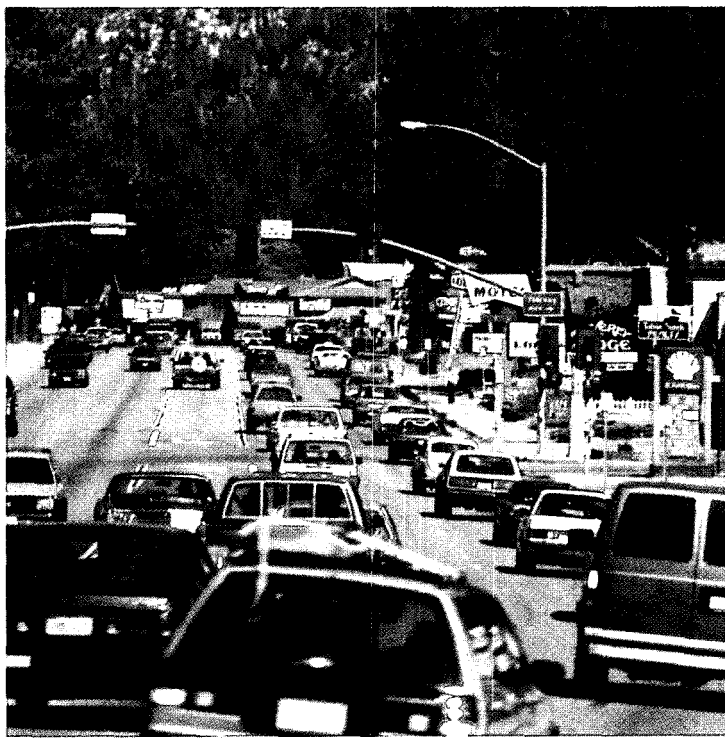
Reviving a fragile

A new political focus for Lake Tahoe

Lured by its scenic wonders and its gambling glitter, visitors have flocked to Lake Tahoe's shoreline for decades. But Tahoe's attractions also have yielded another, unwanted visitor: unhealthy algae that continues to cloud the lake's pristine waters and its future. Political leaders, from the nation's president to local city officials, have recently zeroed in on preserving Tahoe, renewing hopes that it's not too late.

By Bud Lembke



Traffic clogs South Lake Tahoe. Photo by James Hildinger

It often seems that restoring the purity of Lake Tahoe is moving forward with all the speed of a tortoise race. Once a pristine jewel, Lake Tahoe's luster has become increasingly tarnished by the dust and erosion created by people, traffic and urbanization. For years, the millions of pleasure-seekers who flock to Lake Tahoe's shores to gamble in its casinos or soak up its scenic wonders have unwittingly contributed to a sickly green algae that is clouding the lake's clear blue waters.

Even the Sierra Club, once in the forefront of efforts to halt urbanization at the lake, dropped its rescue mission as a priority some time ago, concluding it was too late.

Lately, however, there is new hope that the further ruination of Lake Tahoe's natural beauty can be staved off. High-level politicians in both California and Nevada have focused on the seriousness of the threat to the lake's clarity. Even President Bill Clinton and Vice President Al Gore recently threw a symbolic lifeline to those who have battled for decades to preserve the lake and its fragile alpine setting.

If federal, state and local governments, as well as the private sector, follow through on their promises to spend $908 million over the next 10 years on an Environmental Improvement Program (EIP) at Lake Tahoe Basin, many believe some of the pollution problems can be improved, if not halted altogether.

Democratic U.S. Senators Dianne Feinstein of California and Harry Reid of Nevada held a press conference in San Francisco last June to publicize their bill, the Lake Tahoe Restoration Act. It would authorize the federal government to pay one-third of the $908 million.

"Time is running out for Lake Tahoe," Feinstein warned. "We have 10 years to do something or the damage will be irreversible."

The money would finance projects such as erosion control, land acquisition, traffic management and removal of forest deadwood to reduce fire risk.

The efforts are an attempt to halt what Dr. Charles Goldman, a University of California, Davis, environmental scientist and long-time Tahoe expert, describes as the "cultural eutrophication" of the lake. This is the process by which nutrients, as the result of congestion and construction on shore, cause algae to grow.

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Goldman, who directs the Tahoe Research Group's laboratory, warns that algae is increasing at a rate of more than 5 percent a year. The lake is losing about a foot and a half a year of its hallmark crystal-clear transparency, as measured by lowering an 8-inch white "Sacchi" disk, named for the Italian marine scientist who invented the method in 1865. The average depth at which the Sacchi disk is still visible below the lake's surface is 66 feet. The goal is to return that visibility to 100 feet, which was the clarity depth in 1969.

Although Goldman has been studying Lake Tahoe's environment for more than 40 years, the political attention focused on the lake is a more recent development.

Two summers ago, a military helicopter descended on the Village Green at Incline Village to deliver President Clinton for a summit meeting.

Vice President Gore had arrived the day before with cabinet-level officials who participated in three days of workshops on Tahoe's environmental problems. A month earlier, with the lake as a backdrop, then-California Governor Pete Wilson and Nevada Governor Bob Miller signed an agreement pledging their continued commitment to the $908 million EIP.

Governor Gray Davis also boosted local morale when he mentioned Tahoe's needs in his inaugural address last January. Davis followed up by including $24.7 million in this year's state budget for Tahoe remedial work and increased funding for both the Tahoe Regional Planning Agency and for the California Tahoe Conservancy. He underscored these steps by touring the lake July 2 on a research boat, where he received new warnings of nutrient pollution causing unwanted growth in the water. The governor also ordered CalTrans to change snow removal practices that contribute to erosion into the lake from adjacent highways.

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National park fizzles

These moves may seem a far cry from efforts to create a national park at Tahoe, first proposed a century ago in 1899. The idea got nowhere then nor in 1912, 1913 or 1931 when it was broached again. It re-emerged in 1969, floated around through the 1970s, dodging the torpedoes of various interests before finally submerging forever. The years of delay had allowed so much development to occur in Lake Tahoe's basin that the proposal was dead in the water.

While various plans for a national park never materialized, an estimated 77 percent of the Lake Tahoe basin's land area has been set aside in state parks and national forests.

Striking a balance between competing desires for preserving Tahoe's scenic beauty and its economic lifeblood, the casinos, is an ongoing conflict.

"Beauty versus use is an old issue," said California Tahoe Conservancy executive director Dennis Machida.

Urban sprawl, South Tahoe. Trailer park in foreground, Tahoe Keys development next to the lake. Photo by James Hildinger

Tension between those two elements continues today, generated by the fact that more than seven million people live within a four-and-a-half hour drive of Tahoe.

Long a playground for the Bay Area's wealthy families, who summered since the early 1900s along its shores in palatial homes, Lake Tahoe did not become a gambling mecca until after World War II. Harvey's Wagon Wheel and Gambling Hall was opened in 1944 by Harvey Gross, who previously was a Sacramento butcher. His modest start mushroomed into Harvey's Resort Hotel and Casino, which by 1963 claimed to have more slot machines than any other casino in the world.

Other casinos soon sprouted at Tahoe's south shore on the Nevada side, spurring development on the California side along Highway 50. This strip development of inexpensive motels, restaurants and T-shirt shops in the 1960s and '70s became the visual pollution of the '80s and '90s.

Government steps in

To coordinate planning at the lake, the Tahoe Regional Planning Agency (TRPA) was formed in 1969 as a model for bi-state regional government (one-third of Lake Tahoe lies in Nevada, and two-thirds in California). Its 15 board members include seven from California, seven from Nevada and one non-voting representative of the federal government.

In its 30-year history, the TRPA has been the center of both bitter warfare and artful compromise. It also has been dogged by litigation that continues to ensnarl its proceedings today.

After two years of hearings, the TRPA board adopted its first strategic plan in 1972. The spirit of optimism surrounding the plan's adoption soon faded among environmentalists, however, replaced by suspicions that Nevada casino interests and other businesses were dragging their feet on regulations that would prevent more casino development.

The League to Save Lake Tahoe, a 4,600-member alliance formed in 1969, withdrew its support of the TRPA in the late 1970s. A subsequent revision of TRPA's board in 1982 shifted the balance from local government representatives, who were perceived as too cozy with casino owners, to those appointed by the two states.

Meanwhile, a building moratorium was imposed while TRPA drew up a new strategic plan, which environmentalists then found unsatisfactory. The league joined with California's then-Attorney General John Van de Kamp to file a federal lawsuit, charging that TRPA was not meeting the environmental standards.

A legacy of lawsuits

To the surprise of principals on all sides, U.S. District Court Judge Edward Garcia, an appointee of President Ronald Reagan, granted the plaintiffs a restraining order barring any new building permits in the basin until a new plan could be written containing more enforcement.

Tom Martens, a former newspaper reporter, had been on the job two weeks as executive director of the League to Save Lake Tahoe when the Garcia decision came down in 1984. "There was a high degree of tension between the building industry and business community versus we environmentalists," said Martens, who served six years and is now conservation director of the Mountain Lion Foundation. "During this hostile period, we had no sign on the league office at all. We didn't want anyone to know where we were. I got my house egged. We had numerous crank

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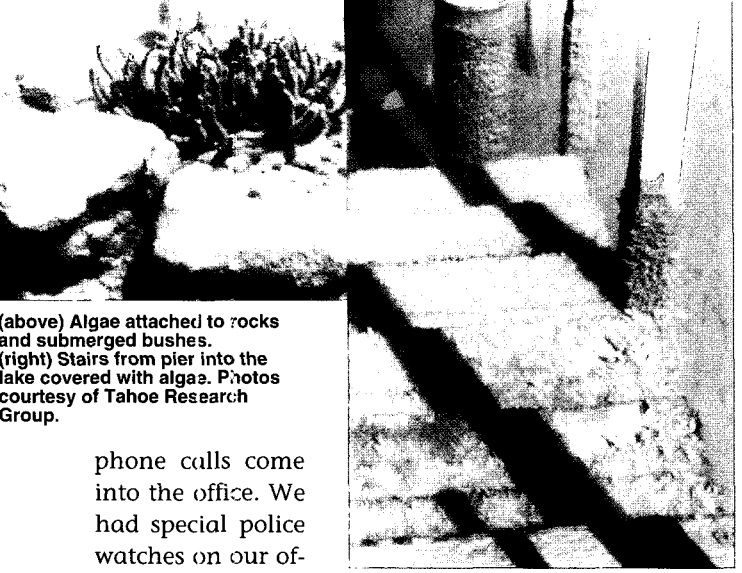

(above) Algae attached to rocks and submerged bushes. (right) Stairs from pier into the lake covered with algae. Photos courtesy of Tahoe Research Group.

phone calls come into the office. We had special police watches on our office by day and night."

Eventually a compromise was reached. However, Nevada interests were so infuriated by the continued building moratorium that the Nevada Legislature threatened to pull out of the bi-state compact.

"That would have been the end of TRPA and worse, would have ended the ban on new casinos," said Martens. "At the time, Tahoe was zoned for nine more casinos." Everyone had to compromise. After three years of rewriting and negotiating among 25 parties, a revised plan was adopted in 1987.

Since then, the attitudes of local residents and government officials at the lake have evolved, according to Rochelle Nason, the league's executive director. "At one time, a league 'Keep Tahoe Blue' bumper sticker on your car was an invitation to vandalism," she said. "Today, those stickers outnumber 'My Child is an Honor Student' stickers. They're everywhere. A lot of the league membership growth is from local people."

But the league's outlook is not the only one that has changed. Casinos at Stateline, the border between Nevada and California, also have shown more interest in bonding with environmentalists, partly for economic survival.

Casinos change tune

Additional gambling emporiums at the lake were banned nearly 20 years ago. Faced with huge competition, not only from nearby Las Vegas and Reno but from expansion of gambling nationwide, casinos concluded they must offer something more appealing than simply the chance to lean over a craps table. Consequently, some are emphasizing Lake Tahoe's scenic surroundings in their advertising.

"Their location is really all they have to offer that is different and better than what people can do at Las Vegas," said Nason. "Their appeal is more and more to the scenic and recreational values at Tahoe. The transformation in their thinking has made it possible for the league and the gambling industry, which were at loggerheads so long, to find more and more common ground."

Steve Tashara, executive director of the Lake Tahoe Gaming Alliance, which represents casinos, said the need to improve transportation has been a common denominator in achieving cooperation. Although two bond issues that would have financed bus systems for the basin were turned down by voters in the 1980s, he sees improvement. "The casinos believe that in getting proper numbers of people here, it's not a good thing for the environment or the economy if everybody tries to come here in their car," said Tashara.

The Tahoe Transportation Coalition, with representatives from casinos, environmental groups and local government, was formed in 1989.

With federal and state funding, the coalition is backing a project to install a $3.4 million system to coordinate an expanded bus system at the south end of the lake.

Putting a lid on housing

Limits on new housing in Lake Tahoe's basin have been another means of curbing lake pollution. TRPA regulations limit the construction of new houses in the basin to 300 a year. Under its Individual Parcel Evaluation (IPE) system, a property is rated on the basis of how much environmental damage would be caused if construction were allowed. Thus far, this program has restricted development on some 2,000 lots in the basin.

In addition, The California Tahoe Conservancy was established by the state in 1984 to purchase some of the more than 6,000 undeveloped parcels of "environmentally sensitive" land on the California side of the basin.

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Tahoe air pollution, 1987

Not surprisingly, TRPA has encountered lawsuits filed by property owners who claim they have been unconstitutionally deprived of the right to use their land. Assisted by attorneys and a friend-of-the-court brief filed by the Pacific Legal Foundation, an 84-year-old woman, Bernadine Suitum, received a $600,000 out-of-court settlement in January in her lawsuit against TRPA. It followed a lengthy battle that went as high as the U.S. Supreme Court over the use of her 20,000-square-foot lot in Tahoe's Incline Village. Suitum's lawsuit contended that she was entitled to compensation because TRPA's regulations restricted her ability to develop her property.

Larry Hoffman, one of the attorneys representing Suitum, also is involved in other litigation against TRPA. He represents the Tahoe Sierra Preservation Council, which has 2,000 members who own property in the basin. Environmentalists claim that, in spite of its name, the council is far less interested in preserving the lake than in making money from its members' lots.

Not so, insists Hoffman, a former Los Angeles city attorney who has lived at the lake and been involved with the council since it was formed in 1981. He maintains that the Tahoe Regional Planning Agency's point system has gone too far in denying lot owners the use of their property.

Victories by both sides are currently being threshed out in appellate courts.

"You've got to be taking care of the property owners at the same time you're fixing the watershed," said Hoffman, who believes a portion of the $908 million planned for lake restoration should go toward buying up lots.

He said TRPA should consider two options: loosen its regulations on construction or purchase lots at full market value to prevent them from being developed.

Another issue affecting the lake's clarity has been the use of jet skis and other watercraft that pollute the lake. Goldman reviewed this situation in late May at the lake's Zephyr Cove with California Attorney General Bill Lockyer and Nevada Attorney General Frankie Sue Del Papa. Both pledged strict enforcement of new regulations that ban most boats and jet skis powered by heavily polluting, two-stroke engines.

The National Marine Manufacturers' Association filed a lawsuit against TRPA in an attempt to avoid the ban. On his first day in office last January, Lockyer joined the lawsuit on behalf of TRPA and the League to Save Lake Tahoe. The case was settled this spring and the ban went into effect June 1.

Wary of the future

As for Tahoe's future, those who've been long involved in the fight to preserve Lake Tahoe are only partly optimistic. Dwight Steele, a retired San Francisco attorney, was a key player in the TRPA's early years. He first saw Lake Tahoe in 1923 as a boy camping with his family off a dirt road along the shore of Emerald Bay. At that time, there was no road around the entire lake.

In 1969, the lifelong Republican became the Sierra Club's spokesman on Tahoe issues. He later served as a TRPA board member during Jerry Brown's governorship. Today, at 85, Steele is still active in trying to stop the decline of the lake's clarity but concedes it may not be wholly possible.

In a letter to TRPA, Steele said, "Maybe I have to accept that there is not the will nor political possibility for the kind of curtailment of construction and of auto use that will keep the lake from losing its blue clarity in the next decade or so. There will still be much to enjoy at Tahoe, even if the lake is cloudy. My great-grandchildren will come to ski and hike and may well come to gamble and enjoy other recreation even if Tahoe is not clear and blue."

Jerome Waldie, a former California state assemblyman and a retired congressman now living near Placerville, was a TRPA board member for six years.

He believes constructive steps have been taken in preserving the lake but warns: "You may be looking at decades before you know whether what we're doing now is going to have any real effect on that lake," he said. "It doesn't turn over. It takes 700 years for anything that gets into that lake to ever get out. I'm of the view that if you're going to err in terms of regulatory actions to prevent further deterioration of the lake, you should err on the side of regulatory excess."

As Jim Baetge, today's executive director of TRPA, notes: "We all agree what needs to be done. We just need the money."

Bud Lembke is a former Los Angeles Times *reporter, is publisher of "Political Pulse" newsletter. Comments may be e-mailed to edit@statenet.com.*

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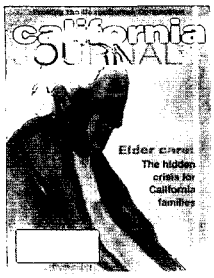

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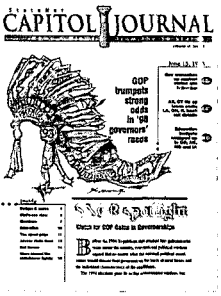

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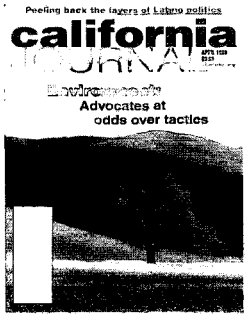

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Alatorre's departure closes a political era

by Sherry Bebitch Jeffe

June 30, 1999, marked the end of an era for Latino politics and for Los Angeles. That was Richard Alatorre's last day as a member of the Los Angeles City Council.

For 28 years Alatorre represented the city's heavily Latino Eastside, first as a member of the state Assembly, then as councilman for the 14th District. In Sacramento, Alatorre rose to become a powerful member of the inner circle of then-Speaker Willie Brown; as chair of the Assembly Elections and Reapportionment Committee, he presided over the 1982 redistricting, which facilitated a significant increase in the number of Latinos in the Legislature.

Elected in 1985, Alatorre transferred his redistricting acumen to the local level, engineering the creation of a second council district Latino candidates could win.

This year, beset by health and personal problems, allegations of financial improprieties and drug abuse, Alatorre opted to forego what would certainly have been an ugly, brutal and expensive campaign for re-election. In last June's municipal election, former Deputy District Attorney Nick Pacheco won Alatorre's city council seat.

Pacheco's ascension and Alatorre's departure mark the shift of power away from Latino leaders who emerged from the social and political activism embedded in the Chicano Power movement of the 1960s and 1970s to a younger and stylistically different generation. Pacheco, 35, and Alex Padilla, 26, (another new council member elected in June to fill the unexpired term of now-state Senator Richard Alarcon) are part of what political satirist Lalo Lopez has labeled "Generation Mex."

As analyst Gregory Rodriguez explains it, "Gen Mexers" have not embraced the "grievance-based political style" espoused by Alatorre's generation. They "focus on the opportunities their predecessors have made available to them," without making ethnic ty "their central preoccupation in life." These up-and-coming politicians work to build alliances among several constituencies.

Pacheco shuns the old-school, "wheeler-dealer" political style that Alatorre came to represent, particularly in his last years in office. Still, both Pacheco and Padilla embraced a tried- and-true, old-style political strategy to win their runoff elections. They took a page from the political playbook of controversial council veteran Nate Holden — the only incumbent forced into a runoff this year — and focused their campaigns on basic constituent services.

Accused of improprieties and attacked for ignoring his district, Holden hung on to win a tough re-election race mainly by feverishly filling potholes and working his center-city neighborhoods. It was a recipe for electoral success learned from his mentor, Kenny Hahn, the legendary, long-serving councilman and county supervisor.

"Gen-Mexers" have not embraced the "grievance-based political style" espoused by Alatorre's generation.

Even with the passing of political eras, some things never change. State Senate President Pro Tempore John Burton (D-San Francisco) has appointed Alatorre to a $100,000-a-year job with the state Unemployment Appeals Board. Clearly, in politics, friendship and loyalty still count for something.

That political canon loomed large throughout Richard Alatorre's life, and, in the end, it helped bring him down.

Looking back on a career dotted with milestones but punctured by bad judgment and harsh criticism, Alatorre told the *Los Angeles Times* (whose series of articles, detailing allegations of financial improprieties and drug use, helped push the former councilman toward his decision to retire), "I didn't establish the rules of the game ...I just learned them well and know how to apply them."

Alatorre's departure from the Los Angeles political scene — he also resigned his high-powered and controversial position on the Metropolitan Transportation Authority board — underscores that the rules for political engagement have changed. In *fin de siecle* Los Angeles, power is diffuse and multi-ethnic coalition-building is key to the future of the city's politics — and to its governance. Old-style leadership within every constituent group has got to make way for new players who understand those new rules and "know how to apply them."

Contributing Editor Sherry Bebitch Jeffe teaches at the Claremont Graduate University. Comments may be e-mailed to "edit@statenet.com."

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Demanding Clean

How green power took center stage in California's first year of electricity market deregulation

By Peter Asmus

The concept of "green" power is a relatively new one, having entered our vocabulary as a result of the deregulation of California's electricity market last year.

Many free market enthusiasts predicted a mad rush to the cheapest power possible when marketers descended upon California to entice state citizens to switch electricity suppliers on April 1, 1998. The restructuring of the state's electricity market was, after all, allegedly driven by widespread consumer support for lower electricity rates.

Only 1 percent of the eligible California customer base, using 11 percent of electricity consumed, switched to an alternative supplier during the first year. These statistics reveal that the few who have switched electricity providers are larger consumers such as manufacturers. Nevertheless, a promising sign for environmentalists is that over half of the residential customers in California who switched chose green power.

Selling green power to consumers has emerged as the name of the game during the first year of California's open market. Because no one can save large amounts of money on their electricity bills until 2001 or 2002 under the terms of AB 1980, California's landmark restructuring law, "green" power is the one product that offers consumers something distinct and different — by appealing to environmental values. And the most eye-opening green power converts so far have been local governments, corporations and churches.

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Defining "green"

What is "green" power? Green electricity refers to power supplied by renewable energy resources. Renewable energy is defined under California law as solar, wind, geothermal, biomass, and small hydropower (facilities less than 30 megawatts). These resources are termed "renewable" because they do not rely on burning dwindling, polluting fossil fuels and are regularly replenished using the earth's own natural processes.

Consumers get some "green" power if they stick with longtime providers such Pacific Gas & Electric (PG&E), Southern California Edison or San Diego Gas & Electric, since about 11 percent of their "generic" power comes from existing renewable sources. Yet this percentage will shrink over time as old power purchase contracts with private renewable energy companies expire and are re-negotiated, as small companies go bankrupt, and as utilities like PG&E divest their renewable energy generating facilities.

In one such divestiture, PG&E sold its geothermal facilities in The Geysers region of Sonoma County this spring. This renewable energy is now available as a distinct green product that ranks among the cheapest on California's grid — and is driving down the price for green power.

Last April, Tustin-based Commonwealth Energy offered to switch all of the San Diego Association of Governments (SANDAG) accounts, which include 79 county agencies, city governments, school districts and fire departments, to green power at prices below what it had previously offered for out-of-state coal power plants. While each member of the SANDAG power purchasing pool still needs to designate which of its individual electricity accounts it wants to be served by Commonwealth's geothermal power, Steve Sachs, manager of the power pool, predicted a high subscription rate: "Green power for less money. How can you go wrong with that?"

Sold on responsibility

It was the City of Chula Vista that prompted Commonwealth to offer green power. Last spring, Chula Vista City Council member John Moot argued that given growing concerns over global climate change, it was irresponsible for SANDAG to buy the bulk of its power from coal plants that were even dirtier than California's generic electricity. "Local government often bears the hidden cost of pollution from the burning of fossil fuels when it subsidizes uninsured emergency room visits on smog days or pays the cost of pollution-related property damage," said Moot.

"Deregulation has provided an opportunity for most governmental agencies in this region to vote with their pocketbooks and move the power market in a direction that will provide significant environmental benefits," he added.

Chula Vista asked Commonwealth to come up with a green power product. This past January, Commonwealth switched business strategies to focus exclusively on marketing green power. If all of SANDAG's 4,700 accounts switch to green power, the load would be the equivalent of 100

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Of those who have resisted switching to green power, many hold back because of a lack of assurance about the integrity of the product.

megawatts, or enough electricity to power more than 100,000 households. This would be the state's largest single renewable energy purchase.

Local governments have become pivotal players in the green market. Last February, the Santa Monica City Council unanimously voted to purchase 5 megawatts of renewable energy to power all of its municipal facilities, becoming the first California municipality to be completely powered by green power. Santa Monica also chose Commonwealth Energy and is initially buying its electricity from geothermal power plants located in Sonoma County. In the long term, new geothermal power facilities in Imperial County will provide the green electricity. Santa Monica will pay a 5 percent premium, or roughly $140,000 more annually, for green, instead of polluting, power, a price premium that is offset by energy efficiency investments that save the city over $250,000 per year.

Consumers still skeptical

California has proven that the consumers most concerned about global warming and sustainable development are often the very same individuals most leery of marketing claims about clean electricity. Sure, the Environmental Defense Fund and Union of Concerned Scientists buy green power for their respective Oakland offices, but many card-carrying members of these and other environmental organizations have yet to switch. Private corporations are therefore emerging as major players in building demand for cleaner energy sources here and elsewhere.

A case in point is the Ventura-based Patagonia Inc., an outdoor clothing company. Last July, Patagonia became the first commercial customer in California to purchase 100 percent of its electricity from a new renewable energy project — a new wind farm near Palm Springs. The power consumed at Patagonia's 14 facilities roughly equals 1 million kilowatt hours per year, which can be easily supplied by one of Enron Wind Corp.'s large 750-kilowatt wind turbines.

The process of choosing a clean power product was far from easy, reports Jill Zilligen, Patagonia's director of environmental programs. Patagonia set a very high standard; the company preferred a 100 percent new renewable source located in California as close as possible to the firm's Ventura County headquarters. The new Enron wind farm, a three-hour drive away, was the only one of four providers that met all of Patagonia's preferred green product criteria.

Patagonia "wanted to show how committed we were to the environment" by choosing the greenest of the green products. "Corporations are important to building the green power market, from a volume and educational standpoint," said Zilligen. She does not see the wind power purchase providing any near-term sales advantage or other immediate competitive edge to Patagonia. "We will have a long-term competitive edge because we will have reduced our use of non-renewable sources and will be as efficient as we can. Part of our justification for paying the premium for wind power was that it would provide a new incentive to be more efficient. We may not entirely offset the wind power premium [with energy efficiency], but we hope to come close."

Green marketing tools

Research conducted by the Electric Power Research Institute has revealed that many commercial customers are interested in purchasing renewable energy — even if it costs more. This is particularly the case if green buys are integrated into the company's overall marketing plan, as is the case with Toyota Motor Sales. The auto company announced on Earth Day last year that it would acquire electricity from a mix of renewable sources for four buildings in Southern California representing 12 megawatts or the equivalent of approximately 15,000 households. The price tag: a $1 million annual price premium.

The long-term plan of the company is to power all of its manufacturing facilities with electricity generated from renewable energy. According to Jim Cooke, national manager of real estate and energy affairs for Toyota's non-manufacturing facilities, this is a strategic marketing investment. "The reason we made this decision is that we know our customers are smart. We are selling a number of advanced technologies — including hybrid gas/electric vehicles — and we wanted to 'walk the talk.' We wanted to set an example for our competition and challenge other corporate entities to step up and take responsibility."

Perhaps the most unusual story is that of the Episcopal Diocese of California. Propelled by daunting issues such as global climate change, and responding to a new trend of environmental activism within the Bay Area's religious leadership, St. Aidain's Episcopal Church in San Francisco became the first church to switch to green power.

"For just a few additional dollars per month, residents of California can make a moral investment in the future of the earth and put their faith into action," commented the Reverend Sally Bingham, chair of the Commission for the Environment of the Episcopal Diocese of California. Last October, California's Episcopal Diocesan Convention adopted a resolution entitled Episcopal Power and Light (EPL) put forward by Bingham, who entered the ministry

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with a focus on promoting environmental values within the framework of her own Christian faith. The resolution suggests that each of California's 87 Episcopal churches buy clean, renewable power. Bingham negotiated an arrangement with Green Mountain whereby each church that signs up for green power from the company receives a $250 donation or an audit of their building's energy efficiency; for each parishioner, the church gets another $35.

Growing a nationwide movement

Though launched in California, EPL is a national initiative to promote green power co-directed by Steve MacAusland of the Massachusetts Diocese. Bingham and MacAusland have made presentations or held workshops in Pennsylvania, New York, New Jersey and at a recent National Council of Churches conference held in Chicago.

Here is how Bingham summed up why churches should care about issues such as renewable energy: "God's purpose for us is to love and to live in harmony with all that God has made. All of Creation and all generations to come are our neighbors — as is nature, the source of food, medicine and energy to fuel — our modern civilizations. If we take God's words to heart — the words that tell us we have dominion over all living things — I believe people of faith must be moved to assume a leadership role in the stewardship of creation — our earth — which means healing the scars created from years of abuse."

Bingham's efforts are starting to pay off. As of May 1999, 12 churches in the Bay Area had voted to switch to green power and several others were investigating their options. Among those that have already switched is St. John's in Montclair, located just east of Oakland. "This is an historical opportunity for churches to get involved with issues like green power," said Tom Bowman, chair of the ecology group at St. John's. "Churches are filled with people with enormous passion who believe there is something out there in the spiritual realm. If we are to ever witness a sea change when it comes to the environment, churches must become involved. Unlike corporations, government or academia, churches reach ordinary people. Think about civil rights history. As I often say to fellow parishioners, 'If not us, who?'"

Of those who have resisted switching to green power, many hold back because of a lack of assurance about the integrity of the product. Unlike most goods and services, one never sees electricity. We just know when it's there and when it's not. The San Francisco-based Center for Resource Solutions therefore developed a "Green-e" verification program to ensure that when consumers elect to purchase power marketed as "green," they know the product and the company meet certain minimum clean power standards and abide by good business practices. The Green-e is attempting to become the equivalent of the recycling logo on paper products.

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Earning a green pedigree

"By choosing products with the Green-e logo, Californians will purchase at least four times more renewable energy than is in the generic mix, dramatically reduce air pollution, and remain confident they are getting cleaner power," claimed Jan Hamrin, the Center for Resource Solutions executive director.

In addition, the California Energy Commission monitors the green market by collecting information supplied by power providers to disclose to consumers what fuels were used to generate the electricity they consume. Through the data it collects, the energy commission attempts to verify sales claims made by power marketers.

Despite the safeguards implied by these tracking and certification systems, the debut of green power has been rocky, says Public Citizen, a Washington, D.C.-based watchdog group that issued a stern analysis of California's green power market late last year. Authored by Berkeley consultant Nancy Rader, Public Citizen's report found fault with the pricing, quality of products and even the companies selling green power. Many of the problems identified in the Public Citizen report have since been at least partially rectified. Among a long list of weaknesses cited, Rader determined that most of the renewable energy being sold to California green consumers is merely resale electricity from existing power plants and therefore is neither cost-effective nor cleaner than conventional electricity. In addition, most of the price premium ended up in the pockets of marketing companies — not at the firms that actually produced the renewable energy.

Since the report's release, however, California consumers have been able to buy green power from more than one provider for less money than conventional power — and now have the option of paying about $12 a month more to guarantee they are getting 25 percent of their electricity from new wind turbines.

Still, a variety of obstacles stand in the way of a vibrant green power market in California. These include cumbersome procedures for switching suppliers that can delay delivery of green power for months, which, in turn, frustrates consumers who want their green power promptly delivered. There is an effort by green power marketers to fix that problem through state legislation — SB 1159 — authored by state Senator Byron Sher (D-Palo Alto). Under the bill, which is expected to be signed into law this year, people who sign up for green power over the Internet or in writing would be exempt from third-party phone verification and the delays it causes. Instead, they could fill out an additional verification statement at the point of purchase.

Paying back debts

More formidable is a temporary surcharge on all consumers' bills, which can comprise more than a third of the electricity bill, to pay for past utility debts, including investments in old nuclear reactors (as well as renewable energy facilities). This surcharge, imposed by the California Energy Commission and known as the "Competition Transition Charge," reduces any real electricity cost savings for customers until sometime in the new millennium.

Were it not for these limitations, California might see the same kind of success in opening up its markets as, say, Pennsylvania, where nearly 10 percent of customers have switched electricity providers in less than one year — a third of them to green power — compared to California's 1 percent. Why the stark contrast? In Pennsylvania, it is possible for consumers to experience savings right away by signing up with an upstart competitor, while in California, state regulators have decided consumers must first hack away at the utility companies' stranded debts before they can begin seeing actual savings.

Rader says she remains disappointed with the green power market. "Are consumers still being charged in advance for promised new stuff? Well then, what has changed?" she said.

Even in this less-than-perfect electricity market in California, green power is alive and growing. Yet experts agree that the real competition will not begin until the utilities' extra debt is retired by consumers, rates drop by 25 percent or more and customers can be assured they are buying the real thing.

Peter Asmus is the author of the forthcoming book, "Reaping the Wind" by Island Press. He is editor of the Green Power Journal, published by the Center for Energy Efficiency and Renewable Technologies. His last article for the California Journal was on "The Greening of Corporate California," September 1998.

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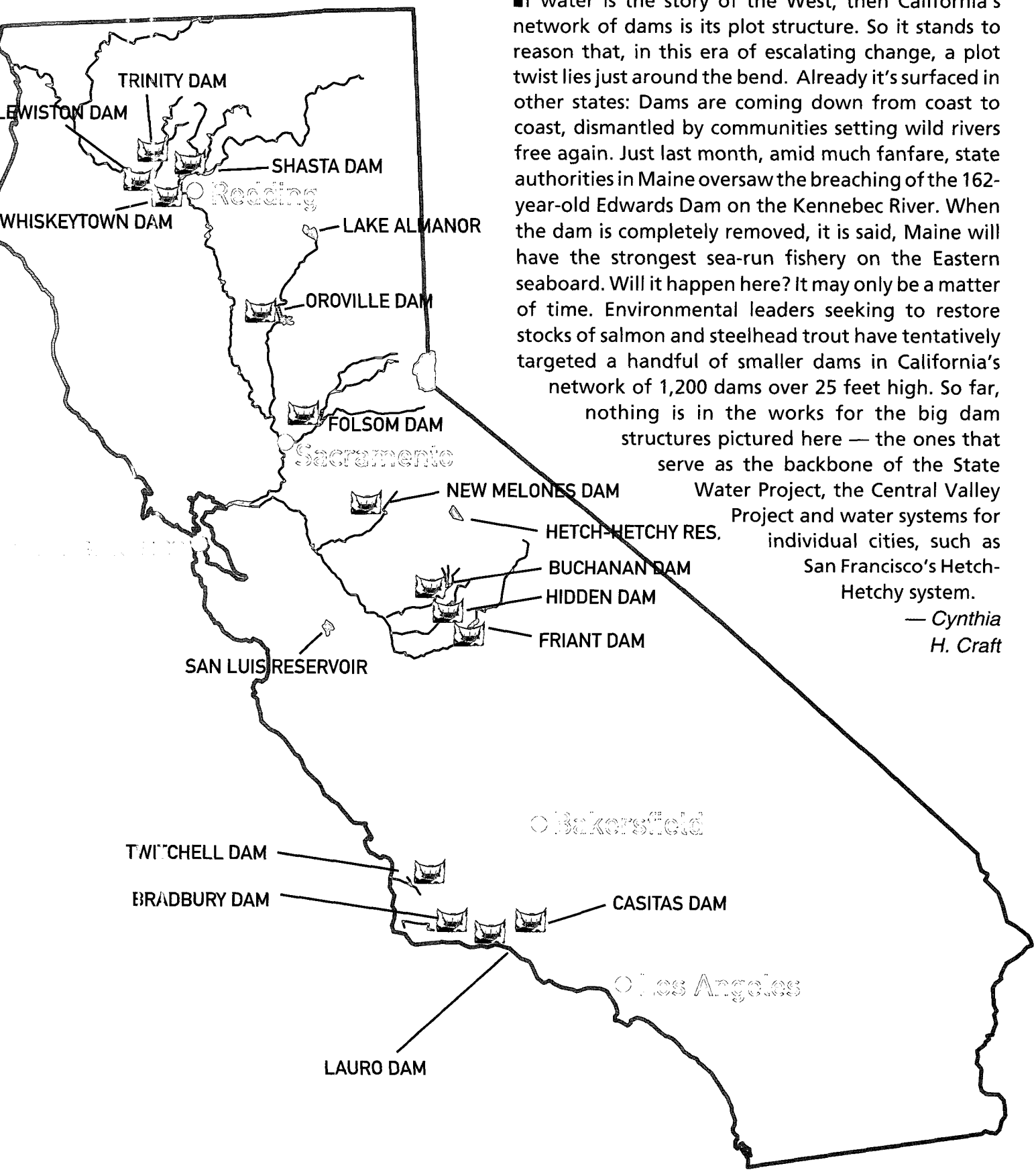
Are California's Dams Doomed?

If water is the story of the West, then California's network of dams is its plot structure. So it stands to reason that, in this era of escalating change, a plot twist lies just around the bend. Already it's surfaced in other states: Dams are coming down from coast to coast, dismantled by communities setting wild rivers free again. Just last month, amid much fanfare, state authorities in Maine oversaw the breaching of the 162-year-old Edwards Dam on the Kennebec River. When the dam is completely removed, it is said, Maine will have the strongest sea-run fishery on the Eastern seaboard. Will it happen here? It may only be a matter of time. Environmental leaders seeking to restore stocks of salmon and steelhead trout have tentatively targeted a handful of smaller dams in California's network of 1,200 dams over 25 feet high. So far, nothing is in the works for the big dam structures pictured here — the ones that serve as the backbone of the State Water Project, the Central Valley Project and water systems for individual cities, such as San Francisco's Hetch-Hetchy system.

— Cynthia H. Craft



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GOP California Dreamin'

by Marc Sandolow

Republicans are giddy over George W. Bush's prospects for winning California in the 2000 presidential election.

The dream scenario goes like this: The Texas governor — as popular among Latino voters as any Republican — pushes his politics of inclusion to win over California Latinos.

He trumpets his pro-business, anti-regulation, pro-trade credentials to draw support from Silicon Valley executives, who are growing weary of Al "the father of the Internet" Gore.

He flashes his penetrating, flirtatious eyes to remind voters that shrillness and piety are not inbred Republican traits. And, with the help of a record-sized war chest — which will allow for television time up and down the media-driven state — he captures California's prized 54 electoral votes.

"We may be simple folks in Texas, but we can do math," said a top Bush aide. "If we win California, Texas and Florida, we've got 40 percent of what we need."

One problem: Californians may not go along. Three issues present huge obstacles for Bush in California — abortion, guns and the environment. On each, Bush is in the mainstream of the Texas electorate, which is hardly firm ground in a California election.

Bush believes abortions should be illegal, except in the case of rape, incest or to protect the life of the mother. He has signed 16 bills as governor that the National Abortion Rights Action League identifies as restricting choice. Though he is far less zealous in his opposition to abortion than most of the GOP field, it has been more than a decade since any candidate for president, governor or senator has won an election in California sharing Bush's views.

Guns are popular in Texas. In most of California, they are a political liability.

Bush is decidedly pro-guns. In 1995, he signed a law that allowed Texans to carry concealed weapons. Last month, he signed a measure to make it more difficult to sue gun manufacturers.

On the environment, no one will accuse Bush of being "ozone man." Bush says the air in Texas is cleaner than when he was elected governor in 1994. Environmentalists disagree. Regardless, it is clear that Bush has sided with business more than environmentalists. Most recently, he worked against a bill that would have demanded polluters to comply with clean air standards by mid-2001. Conservationists have taken out full page newspaper ads to decry his minimal efforts to protect endangered sea turtles. The oil rigs churning off the Texas coast may scare swing voters who live near the Pacific.

For now, these issues are little more than good fodder for West Coast liberals and Democratic Party loyalists to use trying to paint Bush as an extremist. He is not. Republicans are right to observe that the intensity of Democratic protests against Bush reflects their genuine fear of losing the state. But each of these issues are of importance to California's swing voters — soccer moms and waitress moms, suburban voters, upper-middle-class moderates who lean right on fiscal matters and left on social issues.

"Maybe the state isn't as liberal as you think." Bush said on his maiden political journey to California last month.

It is true that Bush has good credentials within the Latino community. But we are talking relative strength. Even in Texas, where Bush poured enormous campaign resources into the border communities, and where Proposition 187 and the like do not drag down the GOP, more than half of the state's Latino voters (between 51 and 61 percent) supported Bush's opponent in 1998. Bush is riding — and may be partly responsible for — a remarkable Republican tide in Texas. Ten years ago, Democrats controlled 27 of the 29 statewide elected positions. Today, Republicans hold all 29. California is heading in the other direction. Hawaii and Maryland are the only other states where where Democrats can boast of two U.S. Senators, a governor, a lieutenant governor, and control of both houses in the legislature.

Bush need not write off California. He is in a far better position than anyone else in his party to win the state that last went Republican in 1988 — when his father was on the ballot. His handlers may be right when they insist that it is education and the economy — not abortion, guns and the environment — that will drive the 2000 vote.

"Maybe the state isn't as liberal as you think," Bush said on his maiden political journey to California last month. Perhaps. But in the final analysis, it is hard to imagine any state that sends Barbara Boxer to the U.S. Senate electing Bush as president.

Contributing editor Marc Sandalow is Washington Bureau Chief for the San Francisco Chronicle. Comments may be e-mailed to edit@statenet.com.

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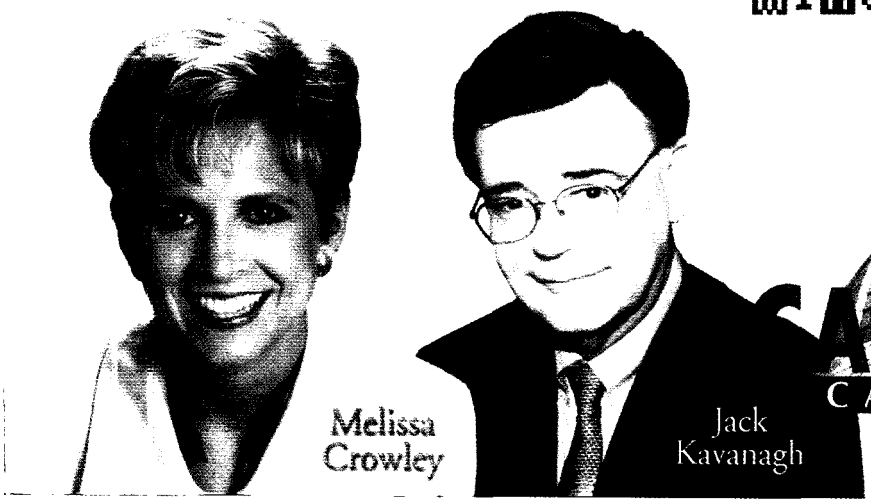

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